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crisis management

Kekst and Brunswick Share PR Responsibilities for Troubled Enron

NEW YORK—Two of the nation's most respected strategic communications firms—**Kekst & Company** and **The Brunswick Group**—have been working with troubled energy trading company **Enron** to assist with crisis communications. Meanwhile, west coast investor relations and crisis management specialist **Sitrick & Company** has been counseling Enron suitor **Dynergy**.

Enron was a Wall Street darling until August of this year, when chief executive Jeffrey Skilling abruptly resigned. Two months later, the company announced a huge third-quarter write down and a \$1.2 billion reduction in shareholder equity due to losses from off-balance sheet partnerships. The

(Continued on page 8)

agency people

IR Veteran Perry Joins H&K to Head New York Corporate Practice

NEW YORK—Diane Perry, a veteran of investor relations and corporate practices at Weber Shandwick Worldwide and **Gavin Anderson & Company**, is joining **Hill & Knowlton** as senior managing director and director of the New York corporate practice. She will report to New York general manager Phil Sheldon, with a dotted line to Harlan Teller, executive vice president and worldwide director of the firm's corporate practice.

The arrival of Perry, who has substantial experience in the investor relations and mergers and acquisitions arenas, will also strengthen H&K's New York IR practice—currently four people led by Cath-

(Continued on page 15)

pr education

USC Taps Mitroff to Head New Strategic PR Center

Historically, there have been at least two major problems with the way public relations has been taught in academia. The first is the lack of coordination between academics and practitioners, giving rise to the complaint that schools produce graduates unprepared for the day-to-day realities of PR work. The second is that PR is typically taught within journalism schools rather than business schools, meaning PR students get little exposure to management teaching and future managers get little idea of the role of public relations.

A new venture by USC's Annenberg School for Communication may address both of those issues. The USC Annenberg Strategic Public Relations Center will be dedicated to studying and defining the "changing role of public relations in

a volatile, global marketplace" and to producing original research of value to practitioners. And it will be led by Dr. Ian Mitroff, the Harold Quinton distinguished professor of business at USC's Marshall School of Business and an expert in crisis management.

Mitroff will work closely with Jerry Swerling, former general manager of the Los Angeles office of Porter Novelli and now an independent consultant, and Jennifer Floto, who was manager of communications at TRW. Swerling heads USC's growing public relations sequence and will serve as the Center's associate director. Floto is currently an assistant professor and is actively involved in various research efforts.

Working in partnership with other

(Continued on page 2)

USC Taps Business Prof Mitroff to Lead New Strategic Public Relations Center

(Continued from page 1)

visionary organizations—including the Council of Public Relations Firms, which has been playing a role in its development—the Center will focus its research and analysis efforts, which are currently being designed, on three key initiatives:

- Quantifying the value of public relations by conducting applied research in the area of program evaluation based on outcomes rather than outputs.
- Helping to define the changing role of PR by researching practical approaches to organizational best practices and benchmarking.
- Increasing understanding among key stakeholders of the profession's role in organizational success by studying its contributions to their value chains.

“We are especially privileged to secure someone of Professor Mitroff's stature to launch this dramatic new venture,” says Geoffrey Cowan, dean of the Annenberg School. “We believe he will not only serve as an excellent educator but as a visionary for the profession.”

Mitroff is best known as an author of more than 20 business books, including *We're So Big and Powerful Nothing Bad Can Happen to Us* (a look at how successful institutions come to see themselves as immune to crisis); *Framebreak: The Radical Redesign of American Business*; and *The Essential Guide to Managing Corporate Crises*.

His work in the crisis management arena has given him an understanding of how corporate communications contributes to overall corporate performance, he says, but it has also convinced him that PR needs to be better integrated with other management functions. “The response to the events of September 11 have shown us how confusing it can be when there are too many functions working independent of one another,” he says. “We need to reinvent some of the functions that exist inside corporations. Some of the silos need to be torn down.”

When he has interviewed companies for his studies of crisis management, he has interviewed a broad cross section of professionals, including PR executives. “Everyone takes a narrow view of crisis, based on their own role in the crisis,” he says. “It's reactive and it's fragmented, and it results in a lousy crisis anticipation system.” For that reason, Mitroff has long argued that companies should name chief crisis officers, a role Swerling believes is a natural extension of the PR function—although Mitroff himself argues that other disciplines have an equally legitimate claim to such a role.

Mitroff outlines several missions for the new center. The first, he says, will be to help public relations executives better measure their effectiveness. “When I have looked at research in the public relations business,

(Continued on page 3)

New NYU Program Helps Crisis Managers See the Whole Elephant

There is an ancient Sufi parable in which a king takes an elephant to a distant village where everyone is blind. The villagers had heard about elephants, but of course had never seen one, and when they learned of the king's approach six young men rushed out, determined to find out what an elephant was like.

The first ran headlong into the elephant's side, and came to the conclusion that the elephant was like a wall. The second grasped the trunk, and returned to tell the other villagers that the elephant was like a snake. The third took hold of the elephant's tusk, and thought it like a spear. The fourth found a leg, and concluded that the elephant was like a tree trunk. The fifth grabbed the tail, and thought the elephant was like a frayed piece of rope. The sixth was standing by the elephant's ear as it flapped, and told all he met that the elephant was like a giant fan.

The same phenomenon is experienced by individuals who manage crises. To lawyers, crises are about legal exposure; to finance people, they are about lost reve-

nues; to marketers, they are about lost sales; and to communicators, they are about reputation damage. But very few executives understand the holistic impact of crises.

A new program at New York University is setting out to change all that. Helio Fred Garcia, a partner at New York communications consultancy **Clark & Weinstock** and an adjunct professor of management and communication at NYU, will be the lead faculty member on the new program, organizing the curriculum, recruiting and training the faculty, but the program itself will look at all aspects of crisis management.

Perry Greene, divisional dean for professional and industry programs, is the chief administrator.

“This program provides companies with an academic course based in the real world where they can have staff trained and certified in crisis management,” says Garcia. “For public relations people, it will provide an environment in which they can learn about all the un-

(Continued on page 3)

USC Taps Business Prof Mitroff to Lead New Strategic Public Relations Center

(Continued from page 2)

I have been horrified,” he says.

So is Swerling, who offers a cynical summary of the industry’s approach to measuring its effectiveness: “One, trust your gut; two, count media clips; three, tabulate media impressions; four, estimate advertising equivalency; and five, analyze the content of media clips. A practical, cost effective method for measuring impact on behavior and/or opinion has yet to be developed or widely adopted.”

Mitroff, meanwhile, is particularly critical of academic research, and in particular of attempts to conduct research into PR without going out into the real world. “Over the years I have done a lot of crisis audits with organizations, and you don’t learn what you need to learn from a questionnaire. Problems are complex outside academia. If you stay within academia, you end up playing with toy problems. The real world will be our laboratory.”

The new center will also work to define the role of public relations in a volatile marketplace, to maximize understanding of the profession’s contribution with all its key stakeholders, and to develop a curriculum for the study of public relations that reflects the profession’s changing needs. According to Swerling, it will “serve as a laboratory for the public relations profession, fostering innovation and testing new services.”

Several initiatives have been identified as priorities for the first two years of the center’s existence: an index of crisis management best practices; an index of best practices in organization communications; the development of a public relations outcomes evaluation system; and the development of a model curriculum for the future.

Mitroff also plans to offer educational opportunities to current professionals. “Today’s public relations practitioners labor in an environment of increasing accountability, transparency, changing societal norms and stakeholder fragmentation that poses great challenges and opportunities to the profession,” he says. “In light of the events of September 11, it is more important than ever that we change the perceptions and break down the organizational barriers that tend to restrict the profession’s ability to achieve its full potential.”

To accomplish all these goals, the center is looking for sponsorship from the industry. Partners can contribute \$10,000, while Dean’s Partners will be involved to the tune of \$20,000 a year for three years.

Still, Mitroff insists the center will be independent. “We will be critical of the industry when appropriate,” he says. “While we look forward to forging partnerships with visionary companies, we will not lose our academic independence.”

New NYU Program Helps Crisis Managers See the Whole Elephant

(Continued from page 2)

derlying management issues that are part of a crisis. That will help us fulfill our role and provide more meaningful counsel.”

It will also offer some very practical advice, Garcia says, on issues such as how to keep the company’s Internet site up and running during a crisis, how to ensure that the customer service center continues to operate. “We will have people who understand technology recovery and real estate security and physical security, as well as communications issues,” he says.

The Certificate in Crisis Management will be offered starting in February in NYU’s School of Continuing and Professional Studies. It’s an intensive program—involving 100 classroom hours over a single semester—for executives and managers, and is designed to develop and strengthen their ability to prepare for and respond to disasters and other franchise-threatening events.

The faculty will include leaders of organizations in

New York and nationally who specialize in distinct elements of crises, including business management, technology, security, communications, law, finance, human resources, public safety, and other fields. Garcia says he is currently recruiting experts, including some from the public relations field. They will be supplemented by guest speakers who have been directly involved in some of the more visible crises of recent years.

In-class work will include case studies, role-play, and disaster simulations and will be supplemented by take-home exercises and by field trips to observe crisis management facilities or operations in action.

The program will also provide a resource for further study and customizing of crisis planning techniques used by students’ employers, and will serve as an informal clearinghouse of crisis publications, websites, organizations, checklists, and best practices.

Tuition for the Certificate in Crisis Management is \$3,500.

news you can use

Despite Antitrust Troubles, Microsoft Tops Media Reputation Index

Despite its continued legal troubles, **Microsoft** is rated number one in the first Media Reputation Index, a new corporate reputation benchmark study produced by **Delahaye Medialink** and the Reputation Institute. The ranking based on media coverage in more than 250,000 print and broadcast news stories during the first six months of 2001.

MRi is designed to evaluate the media's impact on corporate reputation and to provide a basis for understanding and improving the way companies are covered by the news media. The index benchmarks the 100 largest U.S.-based companies, tracking and evaluating each company's media coverage over time and versus all 100 companies.

Rounding out the top 10 were **Walt Disney, IBM, General Electric, AOL Time Warner, Boeing, Intel, AT&T, General Motors** and **Wal-Mart**.

The index is based on The Reputation Quotient, The Reputation Institute's methodology for evaluating corporate reputation that measures six dimensions of reputation: emotional appeal, vision & leadership, financial performance, workplace environment, social responsibility, and products and services. The rankings are based on an index score derived from the "Net Effect", a proprietary methodology that quantifies the key drivers of reputation into a measurement that incorporates the quality of editorial content, print circulation and

broadcast audience reach.

"The 'Net Effect' of media coverage contributes to changes in corporate reputation," says K.C. Brown, research director and MRi product manager of Delahaye Medialink. "For instance, Microsoft received considerable negative coverage surrounding anti-trust and lawsuit coverage. Our research, however, revealed that it scored extremely well overall due to news items covering the company's financial performance and its growth potential, providing valuable feedback pertaining to the company's development and delivery of its corporate message."

Wireless communications company **Nokia** enjoys the best reputation among the 100 largest publicly traded companies in Finland, according to a new study conducted by **Pohjoisranta Porter Novelli**, one of the country's largest public relations firms. The study is believed to be the first attempt to measure corporate reputation in Finland.

PR Clients Express Dissatisfaction with Agency Measurement Efforts

Only half of senior public relations executives interviewed for a new study on PR measurement evaluate return on investment on a formal basis, and of those who do, only 30 percent say they are fully satisfied with the methodology they use. The findings are based on interviews conducted by GCI Group with senior PR

(Continued on page 5)

Dumb Quote of the Week

We like Al Ries, whose *22 Immutable Laws of Marketing* challenges plenty of conventional wisdom and who has a more sophisticated understand of public relations than most of his marketing brethren. But when he says in a *Forbes* magazine, "When you're talking about a \$3 product, consumers don't care about the name of the people who make it," he's gravely mistaken.

Ries is questioning the value of a new corporate advertising campaign from **S.C. Johnson & Co.**, which makes Raid and Pledge and Ziploc. The company will use chairman Samuel C. Johnson as a corporate pitchman in ads that emphasize that the Racine-based company is family owned, with family values. His comment ignores the activities of **McDonald's**, which markets hamburgers that cost a lot less than \$3, but invests millions every year in its Ronald McDonald House charity because it believes consumers care about the corporation's social responsibility, or **Procter & Gam-**

ble, which has spent millions on legal fees fighting rumors that it donates money to devil-worshippers.

Most consumers don't know who makes Pledge and who makes Endust—but some do, and some of them care, and in a competitive market ignoring them would be folly.

The Dumb Quote of the Week appears first in our **Weblog**, which can be found online at www.holmesreport.com/news/weblog.cfm, and which provides a commentary on PR-related stories from around the World Wide Web.

Among other recent stories posted to the Weblog:

- Microsoft: Punishment by Public Relations
- How to Confuse War Reporters
- Human Cloning Hype: Scientists Speak Out
- Tips for Tormenting Your Customers

(Continued from page 4)

professionals at 20 leading global companies.

“Current systems are usually quantitative rather than qualitative, under-engineered, lacking in analytical rigour and rarely provide a neutral assessment of results,” says Adrian Wheeler, chairman of GCI Europe. “Many PR practitioners who have been pushing for PR evaluation would see this result as discouraging. I would say the opposite: powerful clients are virtually unanimous in wanting robust evaluation methodologies and a recognized standard.”

Indeed, asked to rate the importance of understanding how public relations contributes to the bottom line, 12 of the 20 respondents rated it between 80 and 100 on a scale of 1 to 100, while another four rated it between 60 and 79. According to one respondent, “It’s essential. The PR staff needs to fully understand the financial goals of the company and the obstacles that might impede success.” Strangely, three respondents rated the importance of understanding how PR contributes to the bottom line between zero and 20.

When asked about the methodology employed by their current agencies, 30 percent said they were satisfied, 30 percent said they were relatively satisfied, and 40 percent said they were not satisfied.

Said one respondent, “Consultancy evaluation is usually of limited scope and tends to be more quantitative than qualitative.” Added another, “Many consultancies

Fast Company Seeks Fast People

NEW YORK—Business magazine *Fast Company* is introducing a new ranking—*The Fast 50*—in its March issue, and is inviting public relations people to send in nominations. The ranking will feature 50 “extraordinary individuals” selected from submissions by *Fast Company* readers.

Honorees will be chosen based on essays explaining “Why you’re fast, what you stand for, how you get things done, and why your work matters.” A call for reader entries is featured in *Fast Company*’s November issue, hitting newsstands on October 23. A special *Fast 50* website will post all essays submitted by readers.

According to the magazine’s editors, “We’re looking for leaders who persuade others to think and work in new ways; risk takers with a commitment to challenging convention; trendsetters whose ideas and designs change how we see the world and what things look like; disrupters whose innovations transform our sense of the possible; and social entrepreneurs who apply business principles to a farsighted agenda for social justice.”

recommend (expensive) third-party research programs as an independent measure. These are often under-engineered and usually lack regularity or continuity of analysis bases.”

One major source of frustration was the lack of a single, industry-wide standard for measurement. Said one respondent, “An easy to understand methodology is way overdue. There is no way in which common measurement tools are used over different market sectors. Too many consultancies still seem to think that ‘Opportunities to View’ is a meaningful measure. We need a means to gauge the ‘value’; we already know the cost.”

Says Wheeler, “This is a call to arms for the consultancy sector. We need an evaluation process that covers the majority of PR outcomes, stands up to scrutiny, doesn’t cost a fortune to run, and is not purely designed to justify PR’s existence.”

Most U.K. PR Firms Expect Fee, Profit Increases Despite Downturn

Despite the fact that the U.S. recession has clearly reached overseas markets, more than 50 percent of U.K. public relations firms expect their fee income to be up in 2001, according to a new study from **Madsen Clark Group**, a London-based search and consulting firm. Just 30 percent said they expected to see their fee income decline, although the average decrease was expected to be slightly greater than 20 percent, compared to an average anticipated increase of 16 percent.

A similar number (53 percent) said they expected their year-end profit to be up, by an average of 35 percent. But 34 percent said they expected profits to be down, by around 32 percent. More than four in 10 (41 percent) said they expected the number of employees at their firms to increase, compared to 24 percent who expected it to decline. And the overall mood is optimistic: 15 percent said they felt very positive about the performance of their business over the next 12 months; 73 percent were quite positive; and only 12 percent were not at all positive.

The economic downturn does not seem to have had a depressive impact on merger activity in the industry either. Almost half said they would consider either leading a merger or being acquired by another PR firm: 13 percent said they were very likely to be involved in a merger, and 36 percent said they were quite likely.

Madsen Clark says it plans to conduct similar studies at six-monthly intervals to assess trends in the industry.

accounts

Nixon Group Adds Three More States for Anti-Tobacco Communications

MIAMI—A couple of years ago, when many boutique public relations firms were reinventing themselves as experts on the dot-com sector, **The Nixon Group** made a conscious decision to stick to its knitting, which included a focus on three less glamorous practice areas: social marketing, healthcare, and consumer brands. Now that decision is paying off. The firm will grow by a very respectable 25 percent this year, according to president David Nixon, and recently picked up a trio of accounts that will draw on its expertise in social marketing, and tobacco issues in particular.

The Nixon Group made a national name for itself as the agency for the Florida “truth” campaign, which quickly became a national model for youth anti-smoking programs after helping to reduce smoking among middle school students by 19 percent and among high schoolers by 8 percent. Since then Nixon has managed tobacco control programs in Iowa, New Jersey, Pennsylvania and Wisconsin. And this week it picked up three more campaigns, worth a combined \$1 million in fees, from the states of Indiana, Minnesota, and Nebraska.

“This growth spurt began three years ago when we were contracted to work with the Florida ‘truth’ campaign,” says founder and CEO David Nixon. “We’re thrilled to now be able to put our excellent track record to use with the teens of Minnesota. It’s exciting work that we can feel good about, but it’s also been the primary source of very dramatic growth for our agency.”

The Nixon Group helped develop the Minnesota “Target Market”

campaign, which had been implemented by **Weber Shandwick Worldwide**. It will now work with Minneapolis-based advertising agency Clarity Coverdale Fury on the next phase of the program. In Indiana, Nixon pitched with another local ad agency, MZD Advertising, while the Nebraska initiative is a stand-alone PR program.

Meanwhile, the firm has continued to grow its business in other areas, working for clients including Noven Pharmaceuticals, Triarc Restaurant Group (parent of Arby’s and TJ Cinnamons), Fresh Del Monte Produce, and the Miami Children’s Hospital. It has expanded geographically too, opening an office in Washington, D.C., to service the American Legacy Foundation—which runs the “truth” campaign—and other clients.

The firm now has about 40 people and will have billings at year-end of around \$4.2 million, up 25 percent from last year.

Nixon says an unusually high employee retention rate has helped build the agency’s revenues. “We’re incredibly fortunate to have a very high staff retention rate,” Nixon said. “That stability has allowed us to grow faster in both revenues and reputation. Overall, we’re maintaining steady growth and staffing levels at a difficult time for our industry.”

Benjamin Group Picks Up FileNET and Three More

IRVINE—**The Benjamin Group** subsidiary of Weber Shandwick Worldwide, has been selected to provide public relations counsel to **FileNET Corporation**, a leading provider of business process and enterprise content management software solutions based in Costa Mesa. Benjamin Group will develop

and implement strategic public relations initiatives for Brightspire, FileNET’s new e-business software platform.

“Benjamin Group’s extensive expertise in enterprise software technology and proven track record made the agency an ideal choice for supporting our Brightspire product line,” says Michael Harris, senior vice president of products and strategy at FileNET.

The Benjamin program will include strategy and message development, media relations, vertical market outreach, speaking opportunities, product reviews, trade shows and events.

Benjamin has also added three additional clients over the past 45 days: **Docent**, a leading provider of e-learning software and services to global 2000 companies; **Advanced Interconnect Technologies**, a global semiconductor assembly and test services provider; **Hyper-Transport Technology Consortium**, a Silicon Valley-based coalition of semiconductor technology providers including Cisco Systems, AMD and PMC-Sierra.

SAN FRANCISCO—**Fineman PR** has been retained for ongoing public relations counsel by **Stag’s Leap Wine Cellars**, **KCSM Radio**, and Cosmetic and facial plastic surgeon John Frank. In addition, REI, Annabelle Candy, ANDA Networks and wine closure producer Sabaté USA have contracted Fineman PR for project work.

MINNEAPOLIS—**Carmichael Lynch Spong** has added several new accounts to its food and beverage client roster, including Honey Nut Cheerios, Chex Morning Mix, Milk ‘n’ Cereal Bars and Wahoos, all from **General Mills**, as well as **Pillsbury’s** Hungry Jack product line.

accounts

Waggener Edstrom Beats Brodeur, MS&L, Ogilvy for MasterCard Business

PURCHASE—**Waggener Edstrom** has beaten out fellow finalists **Brodeur Worldwide**, **Manning Selvage & Lee** and **Ogilvy Public Relations Worldwide** for a major chunk of **MasterCard International** business. The account, which includes the credit card company's North American corporate payment solutions, member relations, deposit access, acceptance, and remote payment and presentment service businesses, is believed to be worth around \$650,000.

According to MasterCard vice president of global communications Sharon Gamsin, Waggener Edstrom made "an excellent presentation. They understood the assignment and they understood our business." Waggener Edstrom, like fellow finalist Brodeur, is best known for its work in the technology arena, and Gamsin confirmed the assignment—which includes promotion of the company's electronic bill payment and new forms of acceptance (in fast food restaurants for example)—would include a heavy technology component.

Gamsin would not comment on the claim by fellow finalists that Wagg Ed had offered a month of free service to win the account, but said such an offer would not have factored into the company's decision.

The appointment is not an agency-of-record assignment, however. **Alan Taylor Communications** will continue to handle MasterCard's sports marketing activities; **Edelman Public Relations Worldwide** provides support on litigation issues; Ogilvy has responsibility for public affairs projects; and Brodeur continue to handle the largest part

of the company's business, including MasterCard's e-commerce initiatives.

Wagg Ed, meanwhile, says it will be opening a new office in Stamford, Connecticut, to handle the account, with support from the firm's other offices, which include Portland, Austin, and Bellevue, Washington. The account team will be led by LEEANNE FRENCH and Keith Lindenburg, both senior vice presidents.

Bayer Unit Taps Ketchum

NEW YORK—**Oncogene Science**, a research and development group that is part of Bayer Diagnostics, has selected **Ketchum** to provide public relations support for its serum HER-2/neu oncoprotein diagnostic assay. This new blood test measures and monitors levels of HER-2/neu oncoprotein in women with metastatic breast cancer.

Ketchum will immediately begin handling communications to build awareness of the test within the oncology community.

"With a multitude of available treatment options and new therapies on the horizon, this innovative diagnostic can help guide clinical management, thus optimizing patient treatment," says Diane Weiser, senior vice president and New York healthcare director for the agency. "We're thrilled to apply our expertise in the fields of oncology, women's health and diagnostics to educate physicians on this novel approach to breast cancer treatment management."

Weiser will lead the account out of Ketchum's New York office.

Brodeur Adds Concord

BOSTON—IT infrastructure management software maker **Concord**

Communications, recently named as one of the fastest growing companies in the U.S. by Deloitte & Touche, has selected **Brodeur Worldwide** to provide a wide range of public relations services across Europe.

Earlier this year Concord selected Brodeur subsidiary Beaupre & Co. Public Relations as its PR firm of record in the U.S.

"In choosing an agency in Europe, we wanted to partner with a company that could replicate Beaupre & Co.'s success in building the eHealth brand in the U.S.," says Josef Blumenfeld, director of worldwide public relations at Concord. "Brodeur Worldwide's strong ties with Beaupre & Co., its focus on technology and its pan-European network made the choice easy. With Beaupre and Brodeur working together, we can build a truly integrated public relations program across two continents."

DENVER—**Linhart McClain Finlon Public Relations** has been selected to provide public relations counsel to the building insulation division of **Johns Manville**, a Berkshire Hathaway company and a leading manufacturer and marketer of building and specialty products.

Linhart McClain Finlon will act as the lead agency for all publicity, trade and general editorial management and promotions associated with the company's building insulation division. Its sister company, McClain Finlon Advertising, will continue to provide advertising services for the division.

TYSONS CORNER—**Merritt Group**, a public relations firm specializing in technology and emerging markets, has added **Princeton Optronics** to its portfolio of clients.

Two 20-Year Veterans Leaving as MS&L Forms Office of the Chairman

(Continued from page 1)

next day, *The Wall Street Journal* reported that some Enron executives had made millions from those deals, and the Securities & Exchange Commission subsequently launched an informal probe that resulted in the departure of chief financial officer Andy Fastow.

As the company's financial position worsened, rival Dynergy emerged as a potential savior, announcing a merger agreement in early November. That agreement fell apart on Wednesday, and Enron is now likely to file for Chapter 11 bankruptcy protection.

Kekst has handled numerous special projects for Enron over the years, starting with a crisis involving the company's Puerto Rican water operations, but sources say the New York firm—which specializes in crises and financial transactions—was not called in for the announcement of Skilling's departure, and didn't become actively involved with Enron until after the third quarter earnings announcement and the subsequent SEC letter regarding the informal inquiry. It then counseled the company to bring in independent legal counsel and a separate accounting firm to work with the special counsel to satisfy the SEC's queries.

Brunswick, meanwhile, joined the Enron communications team a little more than a week ago, following the Dynergy-Enron merger announcement. The two firms have been working together since then, apparently quite amicably.

Neither firm would comment on the work it was doing for Enron. Brunswick's Mike Buckley declined to comment, while Kekst's Larry Rand said nothing beyond

paying tribute to Enron's corporate public relations team at Enron, led by vice president of corporate communications Mark Palmer. "The PR department at Enron has done an outstanding job in the face of what is probably the most dramatic meltdown in corporate history," says Rand. "These are tremendous professionals who are laboring mightily to deal with unprecedented events."

Brunswick Adds ProComp, Cruise Line Merger

In addition to the Enron business, Brunswick has picked up a handful of new assignments in recent weeks, including public affairs work for **ProComp**, an alliance of companies dedicated to encouraging greater competition in the technology sector (and less domination by Microsoft), and work for both parties in the Royal Caribbean Cruises and P&O Princess Cruises merger.

The primary focus of Brunswick's work for ProComp (The Project to Promote Competition in the Digital Age) will be litigation support. David Shapiro, a partner in the Washington, D.C., office, worked with ProComp during the Microsoft antitrust trial, when he was at Bork & Associates and ProComp was working with Bork and its sister company in the Weber Shandwick Worldwide organization Powell Tate. There was a lull in activity after the trial ended, but things are likely to heat up again over the next couple of months.

The Department of Justice settled with Microsoft, and several state attorneys general joined that settlement, but nine state AGs are continuing to fight for what Shapiro calls a "more meaningful remedy" and a judge will rule on whether the settlement is in the public inter-

est after a 60-day period for comment.

The win is clearly a big one for Brunswick's fledgling D.C. operation. "Washington has been open for three months and it's already profitable," says Shapiro. "We expect it to get busier because the domestic client base is growing rapidly and so much of what happens in Europe is effected by regulators and litigators in D.C."

Other new business includes work for medical journal publisher **Mosby**, which was used as a return address for an anthrax-laden letter that was found in Switzerland this week; **Akers Laboratories**, an emerging biosciences company that may be going public; **Multex**, a competitor to First Call; **Converium**, a major reinsurance company that retained Brunswick to assist with a cross-border listing; and **Wolsey**, a major building supply concern.

LA Police Commission Seeks PR Assistance

LOS ANGELES—The **Los Angeles Police Commission** is seeking a public relations firm to represent the five-member board, which has been criticized for being nothing more than a "rubber stamp" for the city's police chief. The commission wants to communicate the fact that it is independent of the Los Angeles Police Department, which has been under fire following a corruption scandal.

"The department as a whole has been beaten up," commission president Rick Caruso told the *Los Angeles Times*. "There is a lack of confidence about what the department is doing."

Caruso says he hopes to find a firm that would take the job for free or for a relatively small fee as a community service.

agency news

Founder Clark Leaves Clark & Weinstock, Will Counsel White House

NEW YORK—Harry Clark, a founding partner in strategic communications firm **Clark & Weinstock**, is leaving the firm at the end of the year. Clark will be expanding his board involvement at **e-Numerate Solutions**, a financial software company based in Virginia, and may also provide advice to the United States government.

Clark, once an aide to then-Rep. Jack Kemp, is close to Carl Rove, special assistant to President Bush, who is helping to coordinate the public relations war on terrorism.

According to Clark, "It has been a wonderful fourteen year run—productive, successful and gratifying at many levels. I am leaving with true friendships intact, and with pride in helping to build a great firm with superb people and a bright future. This is the time for me to pursue some exciting new business ventures and to reengage in the public sector."

Beginning in January, Clark says, he will be expanding his board involvement with e-Numerate Solutions, and several other ventures. Working with Tom Bell, former chairman and CEO of Young & Rubicam, he will be exploring opportunities in the marketing services sector. He will also collaborate with Martin Puris, founder of Ammirati & Puris Advertising and now principal of a private equity fund, on a new venture in the consumer wireless space.

Clark & Weinstock, which is owned by Omnicom, provides strategic counsel on major reputational and positioning issues including: crisis management, acquisitions and mergers, legislative, regulatory and

government developments, marketing trends and competitive positioning, and relations with the financial community and the national media. It has offices in New York and—under the leadership of former Congressmen Vin Weber and Vic Fazio—Washington, D.C.

Says Davis Weinstock, the firm's other co-founder, "Harry and I have been very fortunate in enjoying both a terrific partnership and our enduring friendship. I know that Harry will continue to be successful in every endeavor he undertakes. I'll miss his being here, as will all of our partners, consultants and administrators."

GCI Parent in Talks with Atlanta's 360 Marketing

ATLANTA—The Atlanta office of **GCI Group** is one of the success stories of the past decade, going from zero to second place in the market in less than a decade and reporting fees for last year of more than \$11 million. Now parent Grey Advertising is in talks with Atlanta-based marketing consultancy **360**, talks that could end up creating the largest public relations operation in the south.

Grey and 360—an integrated agency with extensive public relations operations—are pitching the \$120 million **BellSouth** advertising account together. BellSouth had made it clear it wanted an agency with strong local credentials but 360—which picked up BellSouth's public relations business in a joint pitch with **Porter Novelli** earlier this year—lacked the national resources to handle the account alone. Hence the current partnership, although sources say Grey and 360 had been talking before the giant telecom account came along.

"We felt we brought something to

the table, but not everything needed to win the business ourselves," according to 360 chairman Bob Cohn. "Our option was not to pitch, or find somebody and do it with them."

Cohn joined 360 last year, after leaving Cohn & Wolfe, which he founded in 1970. Joining 360 as executive vice president at the same time was Jim Overstreet, who had been vice chairman, USA, for **Cohn & Wolfe**. They became part of a management team led by founder and CEO Joel Babbit—a veteran of McCann Erickson and Chiat Day—and president Mark Goldman.

Cohn & Wolfe, which recently closed its Atlanta office, had been in talks to acquire 360 before Cohn's departure.

Springbok Vet Starts Firm

DALLAS—Former **Springbok Technologies** executive Kort Peters has launched **PR Knowledge**, a network of public relations consultants who will provide companies with "efficient and effective communications services, regardless of size or budget." PR Knowledge aims to streamline the public relations process by allowing the most experienced professionals to execute a client campaign without the large overhead costs typically associated with agencies.

PR Knowledge provides services in media and analyst relations, written communications, community relations, corporate message development, advertising, website design and market research.

"All companies should have the opportunity to see what a proactive public relations campaign can do for them," says Peters. "We've created a new niche in which companies can receive tailored services with their needs and resources in mind."

agency news

FitzGerald Introduces New Measurement System, Image Insight

BOSTON—High-tech specialist **FitzGerald Communications** has introduced a proprietary measurement offering it calls Image Insight. Based on FitzGerald's own research-driven methodology, Image Insight offers potential clients six different measurement packages—priced from \$2,500 to \$7,500—to suit their individual needs. Each package is then further customized to address the client's particular situation.

According to agency founder and president Maura FitzGerald, "Measurement is a core component of each and every client program at FitzGerald. The company's commitment to measurement is marked by the fact that each account team conducts a thorough measurement exercise every six months at the agency's expense. With Image Insight, FitzGerald has packaged its measurement experience to give companies in any situation a sense of how they can dramatically improve their communications program."

The six Image Insight packages include:

- **Competitive Movements** — A content analysis of media coverage and message saturation designed to illustrate campaign effectiveness against program goals and top two competitors.
- **Internal Image**—A perception audit geared toward glean critical information about employee satisfaction or management/business process effectiveness.
- **Investor Perception**—A perception audit of key financial analysts.
- **Special Situations**—A content analysis of media coverage and

message saturation designed specifically in preparation for or in response to a corporate crisis, M&A, bankruptcy filing or restructuring.

- **Announcement Effectiveness**—A qualitative and quantitative coverage analysis during a predetermined period of time designed to measure the effect of an incident such as a product launch or an executive appointment.

- **Customer Perceptions**—A feedback intensive perception audit designed to gauge customer satisfaction.

"Our commitment to measurement has always been a strong differentiator for FitzGerald," says FitzGerald. "The research behind Image Insight is designed to allow companies to objectively examine the effectiveness of their current program and give them a benchmark for creating a more targeted or impactful communications program moving forward."

Brodeur Introduces Service to Maximize Exposure at CES

BOSTON—The mood at the 2002 International Consumer Electronics Show (CES) will likely be more subdued than in recent years, when leaders of the technology industry used the Las Vegas-based convention as an opportunity to celebrate their good fortune in lavish style. But CES—which takes place from January 8-11—is still an important showcase and **Brodeur Worldwide** is helping prepare clients to take maximum advantage with the creation of a new "CES PR Action Package," a suite of communications services.

The CES PR Action Package was created to enhance a company's PR plans for CES and to provide short-term support for companies with

limited PR resources, says Mike Brewer, who has been attending CES regularly since 1990 and leads Brodeur's personal technology group.

"If you've ever been to CES, you know that it's an unbelievably competitive event," Brewer says. "The key to success at this pivotal show is aggressively pursuing the right media opportunities, meeting the right influencers and knowing what your competitors are up to so you can respond quickly and creatively. We know how much some companies invest to attend a show like CES and how critical it is to have a strong return on that investment."

"Our approach combines strong competitive intelligence, excellent media contacts and a proven style that generates attention and helps close business."

Brodeur's CES PR Action Package begins with an initial strategy session that yields a set of measurable objectives for the show. Clients can then tap into services that include: press materials generation; pre-show media interview booking; onsite media interview facilitation; pre-show and at-show media placement; analyst outreach; awards program support; general booth PR support; and daily show news monitoring and reporting.

In recent years, Brodeur has supported a number of clients at CES, from major consumer electronic manufacturers to emerging companies and startups. The company has helped clients launch "industry first" products such as DVD, Audio CD Recorder, MP3 and Digital Television systems.

For news updates throughout the week, plus our new PR Weblog, visit us online at www.holmesreport.com

agency news

Dallas-Based Michael Burns Merges with Cummings McGlone

DALLAS—**Michael A. Burns & Associates**, founded in 1989 and specializing in the finance and business-to-business sectors, is merging with **Cummings McGlone & Associates**, a boutique agency founded two years ago by former Publicis general manager Brian Cummings, to create what the principals hope will be the Southwest's "signature" public relations firm.

The new firm, which will operate as Michael A. Burns & Associates, will become one of the largest independent PR operations in Dallas, with fees of around \$3 million. The new firm will have expertise in business-to-business, healthcare, financial services, consumer, technology and international communications.

"We couldn't be more pleased with this agreement," says Michael Burns. "It immediately expands our client base, allows us to grow in a challenging economic environment, and will leverage additional senior experience and expertise to the ultimate benefit of our clients and prospects."

While Cummings McGlone is a new agency, both Cummings and partner Neil McGlone—formerly a senior communications executive with Texas Instrument—are veterans of the Texas public relations scene, and launched their new firm to offer "media-centric" communications programs for clients that preferred senior-level counseling, strategy development and program execution.

"The decision to combine resources was a slam-dunk," said Brian Cummings, CMA chairman. "We share similar operating phi-

losophies, long-term goals, and a passion for producing great work for great clients. It's a win-win for everyone involved."

Merger Gives Christensen International Capabilities

SCOTTSDALE—Investor relations firm **Christensen & Associates** is merging with **Equity Market Services**, a New York-based consulting firm that provides technical and legal advice to foreign companies on equity structures in the United States. The two firms will operate under the Christensen name with Rene Vanguetaine, president and CEO of EMS, joining Howard Christensen as co-chairman.

According to Christense, C&A is using the merger to expand its U.S. clients to help non-U.S. companies gain visibility in North America. The transaction also expands C&A's targeting, outreach and delivery, financial communications, technology, message development, market research and meeting logistics capabilities.

"C&A is perfectly positioned to leverage its service platform overseas to fill product and service gaps," says Vanguetaine. "Foreign companies seeking exposure in the U.S. find it challenging to get the attention of domestic investors in this highly competitive market. C&A offers an exceptional framework to target the right investors, communicate a foreign company's strategy and disclose the information required by U.S. investors."

Vanguetaine was previously a managing director responsible for JP Morgan's global American Depository Receipt business.

At the same time, Susan Herman—former executive vice president at Canadian investor relations firm Stylus Strategic Communications—joins C&A as an executive

vice president, and Jeff Christensen, rejoins the firm to anchor east coast activities as an executive VP.

After Founder's Death, Bingham Group Acquired

SAN FRANCISCO—**The Bingham Group**, the technology public relations firm founded by September 11 hero Mark Bingham, has folded following his death, and the two remaining PR professionals from the firm have joined **SIPR**, a San Mateo-based high-tech public relations firm.

Bingham was about United Airlines flight 93, which crashed just outside Pittsburgh, and is believed to have been among the passengers who attempted to take that plane back from the terrorist hijackers. He was the sole proprietor of The Bingham Group, which was headquartered in San Francisco with an office in New York.

Courtney Hohne, who joined SIPR earlier this year after working with Bingham, helped bring two senior Bingham executives into her new firm. Judy Curtis assumes the role of executive vice president at SIPR, which has about eight employees.

"Joining forces with the talented members of The Bingham Group enables SIPR to serve its clients with an even more broadly and deeply experienced team," says SIPR president Cordell Koland. "We all share a common belief in the importance of integrity, teamwork, and the ongoing pursuit of self-improvement, client understanding, and industry expertise."

SIPR was founded in 1986 and has worked for products such as FileMaker and PowerPoint and companies including Avistar Communications, Creative Labs, and EFI. The Bingham Group worked for clients including 3Com, NetSanity, No Wires Needed and VARStreet.

agency news

Stoorza President Spelich Leaving for Schools Post; Hallisey Promoted

SAN DIEGO—Less than a year after he was hired as director of public relations, John Spelich is leaving San Diego-based **Stoorza Communications** for a position with San Diego City Schools.

The departure of Spelich—who joined Stoorza from Gateway Computers following the resignation of agency president David DePinto—marks the continuation of a tumultuous year for Stoorza, which in July decided to spin off its Sacramento and Riverside offices, as well as its San Diego-based political campaigns and public affairs group.

“On behalf of our team, I want to thank John for the energy and creativity that he has put into navigating us through rough waters in 2001,” said Gail Stoorza-Gill, chair and chief executive officer of the firm. “We are sorry to lose him, and we wish him and his family well in his new endeavor.”

“Leaving any job is tough, especially when it is a situation that you really care about, but this is a special opportunity that is impossible to pass up,” said Spelich. “I feel confident that Stoorza Communications will continue to prosper because of the solid team of professionals and quality clients currently in place.”

To strengthen its leadership team in the wake of the latest departure, the firm has named David Hallisey senior vice president with overall day-to-day responsibility for the firm. Hallisey joined Stoorza in 1997. During his tenure at Stoorza, he has directed award-winning campaigns for clients in a variety of industries, including technology, health care and financial services.

Clients have included Scripps Clinic, St. Bernard Software, Fluor Corp., Gateway and HNC Software, among others.

“David is a very skilled and well-respected communicator who has headed our successful technology and corporate communications practice for the past year,” Stoorza-Gill said. “In this new role, David will be able to build on the momentum we have acquired this year and will enable us to roll into 2002 with a lot of energy and excitement.”

Tech Specialist Sterling Expands Into Healthcare

SAN JOSE—**Sterling Communications** has become the latest agency—following in the footsteps of fellow technology specialists such as **Brodeur Worldwide** and **FitzGerald Communications**—has extended its focus to include the medical and pharmaceutical industries, a decision it says has helped it prosper despite the ongoing slowdown of the computer-related technology industry.

“Sterling has had a long-term objective of expanding into the markets for medical, pharmaceutical, biotechnology and healthcare products,” says Paul Forecki, vice president and general manager of the firm’s Northwest operations. “Even during the recent tech boom, Sterling put plans in place to expand beyond high tech, capitalizing on our significant employee experience in the medical and pharmaceutical industries. These fast-paced markets are a natural fit for our brand of strategic communications, allowing us to quickly raise clients above the hype.”

Sterling was recently retained as agency of record by **Rheologics**, a medical device and pharmaceutical company focused on hemorheology

and its effects on vascular-related diseases, and medical device company **Cybernet Systems** has extended its existing relationship with Sterling.

accounts

Costa Rica Tourism Board Selects Porter Novelli

FORT LAUDERDALE—The **Costa Rica Tourist Board** has named the Florida office of **Porter Novelli International** as agency of record for its multi-disciplined campaign to encourage U.S. travelers to visit Costa Rica. The ICT has a long-standing relationship with Centroamerica Porter Novelli’s office in Costa Rica. The account was previously managed by Pantin/JGR PR, a unit of Beber Silverstein.

According to Alejandro Hernandez, general manager of Porter Novelli Florida, “One of the points we intend to communicate to travelers is the proximity of Costa Rica—it takes less time to fly to San Jose, Costa Rica from Atlanta or Miami than it does to fly to San Jose, California. We also plan to help the ICT enhance its communications with key travel industry partners in the U.S.”

The Porter Novelli team, located in Fort Lauderdale, will develop and implement a multi-faceted communications program to reflect the rich biodiversity, friendly culture and tranquil setting of Costa Rica, which already draws more than one million visitors from the U.S. each year. The campaign will include U.S. media relations, focusing on key travel influencers as well as communications with travel trade and consumer magazines, and strategic counsel on areas ranging from interactive campaigns to industry relations efforts.

corporate people

Chiquita, Heading for Chapter 11, Promotes Zalla to Head PR

CINCINNATI—Troubled fruit and vegetable marketer **Chiquita Brands** International has promoted Jeffrey Zalla to the new position of corporate responsibility officer and vice president of corporate communications. In his new position Zalla—who was previously vice president of strategic analysis—will report to Steven Warshaw, the company's president and chief executive officer.

In his new role, Zalla will oversee the company's corporate responsibility practices, including the development of measurement, verification, accountability, communication, and reporting systems. He also has overall responsibility for Chiquita's internal and external communication efforts.

"This appointment recognizes Jeff's contributions to our leadership vision for Chiquita, and it reflects the importance of Corporate Responsibility and effective communications to the Company's overall performance," says Warshaw. "Jeff has orchestrated our Corporate Responsibility efforts for the past three years, including our first Corporate Responsibility Report."

The appointment comes as Chiquita announced plans to file a reorganization plan under Chapter 11 of the U.S. Bankruptcy Code. The company was hurt by a long-running trade dispute with European governments, which in 1993 enacted a restrictive quota system that cut Chiquita's share of the EC market in half. The dispute was resolved in the company's favor earlier this year, but not before it lost hundreds of millions of dollars.

But Chiquita was also damaged by a report in the *Cincinnati Enquirer* in 1998 that detailed a host of alleged environmental and human rights abuses in central America as well as the company's political maneuverings to avoid responsibility for those problems. That report moved social responsibility to the top of Chiquita's agenda.

A recent article in *Fortune* magazine, headlined "Yes, We Have No Profits," chronicled "how a great American brand lost its way," and suggested poor management was as much to blame for Chiquita's decline as the trade dispute.

Chiquita continues to work with BSMG Worldwide (now **Weber Shandwick Worldwide**), which is helping with Chapter 11 communications.

SEC Adds Robinson, Gross in Public Relations Roles

WASHINGTON, D.C.—Securities & Exchange Commission chairman Harvey Pitt has selected Michael Robinson as director of the office of public affairs, policy evaluation, and research—the agency's senior public relations position. The post has been open since the departure of Chris Ullman, who was a longtime advisor to former SEC chairman Arthur Levitt.

Robinson will serve as the SEC's principal spokesperson and raise awareness of the agency's mission, which include writing and enforcing the rules that govern communication between publicly traded companies and their shareholders.

Robinson was most recently vice president of corporate communications for Arlington-based investment firm Friedman Billings Ramsey. Previously, he was a spokesman for Mobil Corporation and the National Association of Securities Dealers. He has also served in the

public sector, at the Department of Justice and the White House from 1989-1991.

"It's a wonderful opportunity to combine my financial industry expertise and my experience in the government sector," says Robinson. "It's everything I want."

According to Pitt, Robinson's experience in the securities industry "coupled with his ability to understand and create clear explanations will be a tremendous asset to us."

Also joining the SEC, as its first director of communications, is Brian Gross, a former communications director for Senator Phil Gramm (R-Tex.).

Says Pitt, "We are very fortunate to have someone of Brian's experience and talent take on this new position. Brian's knowledge of the financial services industry and the legislative process, as well as his sensitivity to the need of our agency to maintain close contact and act in harmony with a variety of constituencies, make him well qualified to take on this critical position."

eFunds Taps Salucci

SCOTTSDALE—**eFunds Corporation**, a leading provider of electronic payment, risk management, and other professional services, has named Diane Salucci vice president of corporate communications and investor relations. She will oversee investor and media relations, corporate branding, industry analysis, marketing communications, and website content.

Prior to joining eFunds, Salucci spent 15 years as director of corporate communications and investor relations at **DeVry**. Before that, she was PR manager at ITT Educational Services and editor of publications at Indiana & Michigan Electric Company.

international news

Philpotts, Lear Lead Formation of New U.K. Consulting Group

LONDON—Four of the United Kingdom's senior international public relations professionals, led by Paul Philpotts, former European chief executive for **Ogilvy Public Relations Worldwide**, have launched a new international consulting firm, **International Communications Consulting Group**.

The firm has already established offices in London and Paris and plans to open an office in New York early in 2002. The company is also negotiating to open further offices in Frankfurt and Hong Kong during 2002.

Joining Philpotts, who most recently headed BSMG Worldwide's Square Mile corporate and financial communications subsidiary, are group chairman is Bob Lear, former president of BSMG's global practice; Roger Fennings, former group managing director of Intermarkets, the Burson-Marsteller affiliate network in the Middle East, who will serve as international operations director; and Tim Kitchin, formerly director of consulting at Ogilvy, who is group strategy director.

According to Philpotts, IC2 will focus on strategic consulting for mainly multi-national clients, in the corporate, government and NGO sectors. "The current climate has encouraged many organizations to reappraise how they manage their brands or reputations and their vulnerabilities across all the communications channels. There seems to be a real need for a firm that can advise on these issues in depth internationally, and the initial response from potential clients has been very positive.

"IC2 is a radical departure from

the traditional PR agency, because the firm will advise comprehensively and objectively across a broader range of communications and business disciplines. In many cases, we will be working in partnership with existing PR firms rather than in competition with them."

Lear says IC2 will advise clients on selecting and managing agency networks, and on their own internal organizational structure. "Companies are still struggling with how to globalize their communications, and how to find the balance between what their business requires and what the organisation can tolerate," he says. "At IC2, we will be taking the side of the client, designing global communications solutions, whether outsourced or in-house, to fit the company's own business model."

Binladen Group in Talks with London PR Firm

LONDON—**The Bin Laden Group**, which has been working with **Hullin & Metz** on its U.S. public relations, is reportedly close to appointing London's **WMC Communications**—headed by former Hill & Knowlton chairman David Wynne-Morgan—to launch an international public relations effort.

Bin Laden Group and more than 50 members of the bin Laden family are anxious to distance themselves from terrorist leader Osama bin Laden. According to U.K. newspaper *The Guardian*, executives from the group have held three meetings with Wynne-Morgan, who confirmed that he had met with the company.

"We have checked them out and they have no links with terrorism," says Wynne-Morgan. "I would have no problem working for them. They

are one of the largest construction groups in the world. They find themselves in a situation that horrifies them. Talking to the media and giving transparency to the company is something they have never had to do. It goes completely against their culture."

Kohtes & Klewes Holds On to #1 Ranking in Germany

DUSSELDORF—**Kohtes & Klewes**, the Omnicom-owned agency that was until recently part of Porter Novelli, held on to the top spot in the German public relations rankings last year, with fees of DM37.3 (\$17.1 million) according to data published by *PR Report*. K&K's fees were almost twice those of its closest competitor, **Weber Shandwick Worldwide**, which climbed into the number two spot because of its merger with BSMG Worldwide.

Rounding out the top five were **Trimedia Communications**, **GCI Hering Schuppener**, and **Haubrok AG**. The only other multinational to make the top 10 was **Edelman Public Relations Worldwide**, while **Hill & Knowlton** was ranked 11th and **Burson-Marsteller** was ranked 14th.

LONDON—**Fleishman-Hillard** has let go 15 percent of its staff in the London office—eight positions out of 54—after **Nortel Networks** suspended public relations across Europe.

The firm's managing director, Paul Blackburn, told British newspaper *The Guardian*, "The redundancies are due to this development and the current economic climate... Our new business pipeline remains strong and we are confident that our team can continue to produce outstanding work and overcome the difficulties of the economy."

agency people

Costello Leaving Weber Shandwick for University of Hawaii Post

NEW YORK—Paul Costello, managing director of **Weber Shandwick Worldwide** in New York, is leaving the firm to become vice president for external affairs at the **University of Hawaii**. Costello will be reuniting with Evan Dobbelle, president of the university and a colleague of Costello's in the Carter administration.

"It's difficult to argue with someone when they ask you whether you want to move to Hawaii," says Costello, who says that while he doesn't have a lot of experience in the academic world, he believes the skills he honed in the political and corporate worlds will be relevant. He will have responsibility for a broad range of communications functions including marketing, advertising, community relations, state and federal government relations, and alumni relations.

Costello says the decision was unrelated to the recent merger of Weber Shandwick and BSMG Worldwide. "I was very much looking forward to a new life at Weber Shandwick after the merger," he says. "I was very excited about the new leadership. But this dropped from the heavens."

Before getting into the agency business, Costello was a spokesman for former first lady Rosalynn Carter and for former D.C. mayor Sharon Pratt Kelly.

Also leaving the Weber Shandwick Worldwide family is Mike Gelb, a former Reuters reporter who has been with Powell Tate for the past 11 years. He will open **Gelb Strategies**, which will offer public affairs, issues management and writing services.

NEW YORK—Weber Shandwick Worldwide has named Cathy Calhoun and Gail Heimann—both veterans of the former BSMG Worldwide part of the newly merged company—as co-presidents of the consumer marketing practice. Both Calhoun and Heimann will serve on Weber Shandwick's executive committee.

As president of the firm's Chicago office, Calhoun heads a 140-person operation that focuses on consumer marketing. Under her leadership, the office was one of the fastest growing in the BSMG network, managing integrated marketing programs for Milk Processor Education Program (the "Got milk?" campaign), Unilever, SCJohnson, and Harley-Davidson.

Heimann is a leader in the New York office, where she created and managed programs for Hewlett-Packard, Arm & Hammer Baking Soda, and Dunkin' Donuts.

Perry Joins H&K

(Continued from page 1)

leen Mayrose. The financial communications practice has been folded into the corporate practice, "to foster better integration between corporate and financial disciplines," says Teller.

The New York corporate practice consists of 28 professionals serving clients in the manufacturing, professional services, financial services and transportation industries. Specialist capabilities include crisis communications, litigation, corporate social responsibility, financial and employee communications. It was most recently led by Anne Wright, who left H&K in October to pursue other interests.

"Diane is a recognized senior corporate communications professional with an outstanding track record who adds depth to Hill and

Knowlton's financial and professional services capabilities," says Teller. "Her strong financial communications experience bolsters our ability to deliver integrated corporate and financial communications programs to our clients."

Teller confirmed that H&K would like to rebuild its business in the transactions arena, where the firm was once a leader. "We very much want to be a player in the deals business, and we still do that kind of work, albeit not on the scale of the boutiques," he says. "Diane does have experience in this area, which can only help, but we already have people in several markets with experience in deals."

Perry has worked with clients on IPOs, mergers & acquisitions, corporate and executive positioning, spin-offs, crisis management, employee communications, restructurings, community relations, financial media, and traditional investor relations.

She was most recently a managing director at Omnicom's international investor relations unit Gavin Anderson & Company. Prior to joining Gavin Anderson, she was general manager and executive vice president of Weber Shandwick's New York office and global practice director of corporate communications. She also spent time at Edelman Public Relations Worldwide and the Financial Relations Board. She began her career as a stockbroker with Merrill Lynch.

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