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O'Dwyer's Newsletter

The Inside News of
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SORRELL WARNS OF 'NEW NORMAL'

WPP's PR/PA units slipped 1.0 percent during the third-quarter as CEO Martin Sorrell warned investors of slowing industry growth following a good run of seven years.

"It does seem that in the new normal of a low growth, low inflation, limited pricing power world, there is an increasing focus on cost reduction, exacerbated by a management consultant emphasis on cost reduction and the close to zero cost of capital funding of activist investors and zero-based budgeters," wrote Sorrell in WPP's trading update.



Martin Sorrell

He cited the rise of digital search and social platforms, notably Google and Facebook, which account for 75 percent of digital advertising and 30 percent of overall ad spend for disintermediating or disrupting the
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IPG PLANS ONLINE SEXUAL HARASSMENT COURSE

Chairman Michael Roth issued a memo last Monday to Interpublic Group's more than 50K staffers to tip them off about plans to launch a mandatory online sexual harassment course.

Slugged "A Workplace Free from Harassment," the memo said the class will be designed to ensure employees are familiar with IPG's "zero tolerance" policy, which is part of its code of conduct, for all types of harassment.

Roth released the memo due to news about "the prevalence of sexual harassment in the workplace, including in the ad industry."



Michael Roth

IPG defines sexual harassment as more than making inappropriate advances. Roth explained: "It also includes any unwelcome verbal or physical behavior that creates a hostile work environment. You should not be subject to any such behavior by anyone that you come into contact with as part of your job—colleagues, managers, suppliers or clients. And the prohibitions are not limited to off-site events and social gatherings—anywhere that you are with your colleagues or business partners."

Roth encouraged staffers to report without fear of reprisal any "behavior that runs counter to an inclusive, respectful workplace" to management, human resources or the legal department.

IPG also maintains a hotline that can be used to anonymously report abusive behavior.

SUNTRUST BANK LOOKS FOR PR

SunTrust Bank is looking for PR firms to participate in an RFP process for the Atlanta-based financial institution with \$208B assets. Cookerly handles SunTrust's account.

Michael McCoy of SunTrust's communications departments wants to hear from firms with experience supporting the PR efforts of a Fortune 500 company.

He's looking for proactive media relations, business initiatives support, visibility and reputation enhancement savvy. McCoy expects Cookerly to join the RFP process.



SunTrust recorded a 14 percent gain in Q3 net income to \$538M on a four percent rise in revenues to \$2.3B.

"Our opportunity set remains robust and I am confident in our ability to deliver further growth for our clients, communities, teammates, and ultimately, our owners," SunTrust CEO William Rogers said in releasing the financials.

PR firms interested in pitching SunTrust's account should contact McCoy at michael.mccoy@suntrust.com by Nov. 13.

MANAFORT MADE OFFER 5W COULD REFUSE

Paul Manafort, Trump's indicted former campaign manager, and his right-hand man Rick Gates approached 5W Public Relations CEO Ronn Torossian in 2012 to ask if he would work for them without registering with the Justice Dept. and agreeing to be paid via offshore accounts, according to Business Insider.

Torossian, who declined comment to *O'Dwyer's*, told BI that he either met or spoke with Manafort and Gates multiple times to discuss a PR campaign "for billionaires and the Ukraine government." They acted "like they controlled the government of Ukraine," he said.



Paul Manafort

The 5W chief turned down potential Manafort/Gates work, telling BI that he "was uncomfortable" about dodging the Foreign Agents Registration Act and receiving payment from offshore accounts.

Torossian has represented ex-Trump advisor Felix Sater, Ukrainian billionaire Rinat Akhmetov, Kiev Mayor Vitali Klitschko and Eric Trump's foundation.

Manafort and Gates have pleaded not guilty to charges lodged by special counsel Robert Mueller.

Those charges include failing to file reports from foreign bank accounts and filing false or misleading statements about their lobbying work.

SORRELL WARNS OF 'NEW NORMAL'

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communications sector, according to Sorrell.

Management consultants such as Deloitte and Accenture are making inroads in the communications business by acquiring small agencies and talent and focusing on costs. "Very few CEOs will resist the suggestion that they may be overspending and the promise of an audit or review that will only cost a proportion of any cost savings generated or a contingency fee," he wrote.

Meanwhile activist investors such as Nelson Pelz at Procter & Gamble and Dan Loeb at Nestle are pushing the corporate focus on short-term growth and dividend payouts. "Effectively management is abrogating responsibility for reinvesting retained earnings back to share owners," noted Sorrell.

The WPP chief sees a possible easing of marketing investment reduction next year due to spending for the Winter Olympics in South Korea, FIFA World Cup in Russia and mid-term elections in the US.

BRATHWAITE TO EXIT PROBED PODESTA GROUP

Paul Brathwaite is leaving Podesta Group, which is a target of special counsel Robert Mueller's probe of former Trump campaign manager Paul Manafort and Russian meddling in the US election, Dec. 1.

The former executive director of the Congressional Black Caucus, handled PG clients such as T-Mobile, Samsung and Airbnb.

He notified clients via an email of plans to launch Federal Street Strategies.

Prior to the CBC, Brathwaite worked in the Clinton Administration as deputy assistant secretary of labor for the Employment Standards Assn.

Earlier, he served as an aide to former Delaware Congressmen Tom Carper (D) and Mike Castle (R) and ex-New York Governor Mario Cuomo (D).



Paul Brathwaite

WEBSTER REVAMPS AFTER HARASSMENT CHARGE

Nashville's Webster Public Relations has revamped as Westby Public Relations as Kirt Webster takes time off to fight a sexual harassment charge lodged by a former music client. He dismissed the charges as "egregious and untrue allegations."

Austin Rick, who performed under the name Austin Cody, claimed via an Oct. 27 Facebook post that he was sexually assaulted by Webster in 2008 and offered publicity opportunities and magazine columns in exchange for sexual acts.

"The point of my message is, selfishly, in the hope that getting it out of my own head and to you and a few industry folks finally, will help me reach some kind of relief/peace of mind in knowing that people know the truth about what was really happening," he wrote.

Jeremy Westby, who was senior VP at Webster, takes command of the renamed shop that has been hit with client defections since news of the harassment broke. Those clients include headliners such as Dolly Parton, Hank Williams Jr., Kenny G, Oak Ridge Boys, Cyndi Lauper and Tanya Tucker.

'WEINSTEIN EFFECT' -- 'WHO'S NEXT?'

By **Ronn Torossian**, CEO of **5W PR**



Harvey Weinstein has emerged as a major public relations crisis domino. His fall from grace created ripples that've spread from Hollywood into corporate America and beyond, tarnishing major names across multiple industries.

Secrets are being revealed, previously untouchable big names are being unceremoniously fired, demoted or publicly shamed, and these victories have emboldened activists to cry open season on predators and harassers of all stripes. Now everyone's wondering who's next.

Presumably, this is causing a lot of powerful people to consider their pasts. There is, evidently, zero statute of limitations or substance influence that will mitigate the consequences of an allegation. Just ask Kevin Spacey. Or director Brett Ratner, who's been accused of sexual harassment by six different women.

The momentum continues to build as a growing number of women — as well as a number of men — stand in solidarity across the globe, now feeling empowered to speak out for the first time. They feel that consequences are actually within the realm of possibility after so many years of feeling hopeless. Their language is that of revolutionaries. They speak of "days of reckoning" and of "bringing down unjust systems" that "propagate violence."

Toni Van Pelt, president of the National Organization of Women, told the AP, "This is the patriarchy starting to crumble. I think women are finally taking their power ..."

That exchange of power has resulted, so far, in the fall of at least 20 men, many of whom were considered untouchable mere weeks ago. Some had been surrounded by rumors of impropriety for years, but nothing was ever done about the allegations. That, however, has changed.

Amazon Studios chief Roy Price resigned after an allegation of sexual harassment. Spacey lost his hugely successful Netflix program "House of Cards" after allegations that he attempted to seduce a teen boy 30 years ago. Many hit the streets in Paris to protest Roman Polanski. Director James Toback was accused by more than 300 women of attempting to extort sexual favors for the promise of film roles.

We should expect the string of PR crises to extend well past the New Year, as more women "out" more abusers and others who used their positions for oppressive and predatory means.

The question many are asking, though, is whether this will about bring real change. Is this truly a watershed moment, or simply a blip on the radar of a power struggle that will continue once all the fuss dies down?

'FAKE NEWS' PHENOM BOOSTS REAL NEWS

The blight of "fake news" is "creating new trust in traditional media," say reporters who **responded to an Ogilvy survey**.

Ogilvy's annual survey, polling 250+ reporters and producers in North America, Europe, Middle East and Asia-Pacific in April, found that traditional news media is the most trusted news source at 52%, followed by company websites and press releases at 22%.

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'FAKE NEWS' PHENOM BOOSTS REAL NEWS

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Jennifer Risi, Ogilvy worldwide chief communications officer, said "Fake news has put a spotlight on traditional news and has challenged journalists to put more limits in place to ensure accuracy in the news."

She added: "Another top contributor to fake news is confirmation bias, the tendency to interpret new information with existing beliefs."

"As user-generated content increases through blogs and other social media, anyone can post anything at any time," she said.

Fake News Causes

In North America, 24% of reporters blamed fake news on social media, 17% on polarized media coverage, 14% on confirmation bias, and 17% on "money."

"The battle with fake news goes beyond fact-checking and rebuilding trust with the audience," said Risi. "Globally, 41% said that better reporting is necessary and 24% said that collaboration with social media is important to verify the accuracy of news reports."



Jennifer Risi



Jordan McCrary

"Reporters around the world are aware of the issue of fake news, but they are also aware of the solutions that could possibly begin to combat the issue," she said. "Building trust between a brand and its stakeholders is more important than ever in this era of fake news."

The Ogilvy survey was posted on the website of the Institute for PR by grad student Jordan McCrary.

SPOTIFY TARGETS JENKINS

Spotify music streaming service has hired Target pro Dustee Jenkins to head its PR team.

Target's former senior VP/COO assumes command of Spotify's consolidated PR unit.

Angela Watts, who has handled communication for Spotify out of its London office for seven years, and Graham James, who has led PR efforts out of the company's New York office, will both now report to her.

Jenkins will report to chief marketing officer Seth Farbman.

Jenkins's hiring reflects a drive by the music streaming service to consolidate all of its public relations activities. She arrives at Spotify as it prepares for a public offering, under which shares will be sold directly to the public rather than through banks, in early 2018.

Before coming to Target in 2010, Jenkins spent four years as director, media relations and crisis communications, at Hill + Knowlton Strategies. She was director of communications for HUD during the Bush administration and served as Sen. Kay Bailey Hutchison's press secretary



Dustee Jenkins

from 2001 to 2004.

Spotify is the world's largest streaming service, with 140 million worldwide users and 60 million paying subscribers. Its closest competition comes from Apple Music, which announced in September that it had passed the 30-million subscriber mark.

WILBERT GROUP ACQUIRES SPR ATLANTA

Atlanta-based PR agency The Wilbert Group has acquired fellow ATL full-service communications shop SPR Atlanta. Terms of the acquisition, which is effective immediately, were not publicly disclosed.

SPR, which was founded in 2002, specializes in branding, crisis, internal communications, digital media, advertising and marketing communications, with a focus on clients in the commercial real estate sector. Clients have included Southeast Mortgage, Regent Partners and Atlanta-based landscape architect and planner HGOR.

SPR now becomes part of The Wilbert Group in light of the transaction. Four SPR team members will join the agency. That includes SPR partner and PR director Sarah Weston, who now takes a Wilbert VP post; assistant account executive Haley Haas; digital manager Nathan Best; and account coordinator Mackenzie Welsh. SPR president and founder Chris Schroder will retain an informal advisor role.

Incoming SPR staff will relocate to The Wilbert Group's headquarters starting next week. SPR's former physical office space will now be subleased.

Wilbert Group president Caroline Wilbert told *O'Dwyer's* that the acquisition further widens TWG's foothold in the real estate world, a practice for which the agency is already particularly known. The Wilbert Group now counts more than 20 clients in this sector, including clients in commercial architecture/design, residential homebuilding, mixed-use development and construction.

The newly combined agency now staffs 21 full-time employees and accounts for more than \$3 million in revenue, effectively making it one of the 10 largest PR firms in the metro Atlanta area.

"SPR's client portfolio is complementary to the real estate and professional services work we do at The Wilbert Group," Wilbert said. "In addition to its impressive client roster, we are excited to strengthen our talent, with four SPR team members joining our firm. This influx of talent includes Sarah Weston, who has been key to the growth and success of SPR."

The Wilbert Group, which was founded in 2009, also recently launched a video unit.



The Wilbert Group president Caroline Wilbert (L) with SPR Atlanta founder and president Chris Schroder.

LACK OF DIVERSITY PLAGUES MEDIA'S IMAGE

A recent study by insights platform **Owler analyzed and compared people's diversity perceptions** of corporate leadership teams across various U.S. industries in the public and private sector, and found that media and entertainment came in 14th out of 17 different industries ranked.

The average diversity perception for companies within that sector was more than eight percent lower than the median perception score for other industries, according to the study.

Other industries to achieve low-ranking diversity perceptions included professional services (#13), industrial goods and services (#15) and telecommunications, which was second-to-last, taking the #16 spot. Bottoming out the list was the real estate and construction sector.

By contrast, the industries that boasted the public's highest-rated diversity perceptions included the retail sector, which took the number-one spot, followed by transportation and warehousing, pharmaceuticals and biotechnology, travel/leisure and the aerospace and defense industries.

The study, which rated only the public's perception of corporate diversity across various industries in the U.S., didn't analyze how diverse these organizations' leadership teams actually are.

Ranking By Industry Top Industries			
RANK	INDUSTRY	SCORE	PERCENT CHANGE FROM MEDIAN
#11	Health Care Equipment & Services	57.5 /100	- 5.70 %
#12	Food & Beverages	57.0 /100	- 6.60 %
#13	Professional Services	57.0 /100	- 6.60 %
#14	Media & Entertainment	56.0 /100	- 8.20 %
#15	Industrial Goods & Services	55.0 /100	- 9.80 %
#16	Telecommunications	55.0 /100	- 9.80 %
#17	Real Estate & Construction	53.0 /100	- 13.10 %

RICKETTS SHUTS DOWN GOTHAMIST, DNAINFO

Chicago billionaire Joe Ricketts ordered the immediate shutdown of local electronic news sites Gothamist and DNAinfo on Nov. 2, throwing 115 people in New York, Chicago, Los Angeles and San Francisco out of work.

Known for his conservative views and support for President Trump, Ricketts shuttered the publications following a vote to join the Writers Guild of America East.

In his letter to staff, Ricketts did not mention the union vote for his "difficult decision to discontinue publishing DNAinfo and Gothamist," which share a newsroom.



Joe Ricketts

He launched DNAinfo in 2009 because he saw "an opportunity existed to build a successful company that would report unbiased neighborhood news and information."

At closing, the sites delivered news each day to more than a half million emails, built a base of 2M fans across social channels and attracted more than 15M monthly visitors.

Those numbers weren't enough for them to turn a profit, and Ricketts noted "businesses need to be economically successful if they are to endure."

PR OPINION

PR people, increasingly dependent on sophisticated cellphones for news, info and communication, must be aware of the dangers they present.

Cellphones are the tip of the radiation iceberg. Powerful Wi-Fi routers in offices, cell towers atop buildings beaming into apartments, and towers in many other places including church steeples, are a threat to the health of those in their paths and especially children and seniors.

Since upwards of 80% of PR people are women and many are mothers of young children, they need to be aware of threats to themselves and their families. Plenty of documentation is at **Bio Initiative**.

Public Discussion on Tap in Mass.

An extensive public discussion of charges that Wi-Fi, cellphones, etc., are dangerous will take place starting Nov. 28 in the Massachusetts Legislature. Radiation health advocates are pressing passage of seven wireless radiation bills.

Senator Karen Spilka's **Bill S. 1268** aims to form a commission to address all aspects of wireless radiation and public health. It is to be heard Dec. 11. Senator Donald Humason's **Bill S. 2080**, to be heard Nov. 28, asks to have the medical community trained and to provide insurance for the "growing number of wireless radiation-related illnesses."

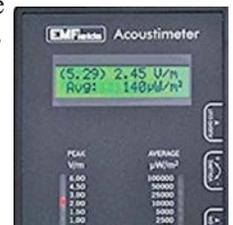
The state's Dept. of Elementary and Secondary Education is examining the biological risks of wi-fi in schools. It is also reviewing testimony on **all seven wireless radiation bills**, is in conversation with the Dept. of Public Health, and is strategizing on ways to protect students and staff. Director of Digital Learning is Kenneth Klau.

The Dept. of Public Health has written public health fact sheets on the man-made electromagnetic fields (EMFs) of radiation emitted by high voltage power lines, cell towers, cell phones and other wireless technology.

They are under final review with DPH Commissioner Monica Bharel's office at present. Robert Knorr, Ph.D., is Director, Bureau of Environmental Health.

People Can Measure Radiation

Concerned PR people can measure the amount of pulsed radiation at offices and at homes via inexpensive devices. One is an Acoustimeter which sells for **\$370 from Amazon**. Cecelia Doucette and other health advocates **explain measurement of pulsed radiation** in this segment.



If management won't purchase one of these devices, employees should buy their own.

Telecoms Fight Warnings

Simple precautions are advisable but only one city in the U.S. has been able to post warnings about them in stores and that is after seven years of legal battles. That is Berkeley, Calif., and it faces another round of court battles.

Gov. Jerry Brown on Oct. 16 vetoed a bill that would have allowed Fourth and Fifth Generation Wi-Fi transmitters to be placed about ten homes apart with **no control over placements by local governments**. — *Jack O'Dwyer*