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Editor-in-Chief

O'Dwyer's Newsletter



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SORRELL QUILTS WPP

Martin Sorrell, architect & CEO of WPP, resigned April 14 following the probe launched earlier this month into allegations of his “personal misconduct” and misuse of corporate assets.



Martin Sorrell

WPP chairman Roberto Quarta moves into the executive chairman slot until a replacement is announced.

Sorrell's departure wraps up the investigation, “which did not involve amounts that are material,” said a statement from WPP.

Quarta called Sorrell “the driving force behind the expansion of WPP.”

Andrew Scott, WPP's corporate development director and Europe COO, and Mark Read, Wunderman CEO, will share the COO roles at WPP.

WPP Shares Plummet

WPP shares plummeted as much as seven percent in London April 16, the first trading day following the bombshell exit of Sorrell.

The stock price of the British ad/PR conglomerate has been on the skids for more than a year due to cutbacks in consumer spending and earnings downgrades. The departure of Sorrell has led to speculation of a break-up of the conglomerate.

Kantar Media is viewed as the most attractive WPP asset, along with PR units such as Hill+Knowlton Strategies, Finsbury and Burson Cohn & Wolfe, according to the *Financial Times*.

Sorrell may be planning the launch of WPP II. In his farewell note to WPP staffers, he signed off with, “Back to the Future.”

SALZMAN SIGNS OFF AT HAVAS FOR PMI

Marian Salzman, who headed Havas PR North America since 2009, is moving to Switzerland for the senior VP-communications post at Philip Morris International.



Marian Salzman

A non-smoker, Salzman was attracted to PMI because of its commitment to shift factories from producing cigarettes to smoke-free alternatives.

The Lausanne-based company in March announced that an affiliated facility in Greece made the transition.

Salzman was chief marketing officer at Porter Novelli, CMO at JWT Worldwide and chief strategy officer at Euro RSCG Worldwide.

She launched American Dialogue online focus groups in the 1990s and then sold it to Yankelovich.

OMC'S WREN TAKES CUT, CEMENTS CLOUT

Omnicom Group trimmed president/CEO John Wren's total compensation package 7.8 percent to \$24M as the ad/PR conglomerate's 2017 revenues dropped 5.2 percent to \$1.1B.

Despite the pay cut, OMC's board will give Wren the chairman title with the retirement of 88-year-old Bruce Crawford.



John Wren

The board decided it was “critical to the future success of the company” for Wren, 65, to serve as chair, according to OMC's proxy statement.

After extensive shareholder engagement, “the board learned that in light of our strong lead independent director [69-year-old former Major League Baseball advisor Leonard Coleman,] coupled with the complexity of our company and our business, shareholders were largely supportive of this board leadership structure.”

EDELMAN WINS WYOMING TOURISM

Edelman topped 16 bidders for the \$250K Wyoming Office of Tourism account because it proved its “ability to be strategic thinkers and creators with a core focus on media relations,” WOT announced April 12.

Diane Shoher, executive director of WOT, expressed confidence that Edelman will help The Cowboy State “stand out from other destinations.”

More than 8.5M people visited Wyoming in 2016.

WOT issued its PR RFP in October for a year-long program with media outreach targeted at travel writers, journalists and influencers, plus PR events.

Edelman Seattle will handle the business.

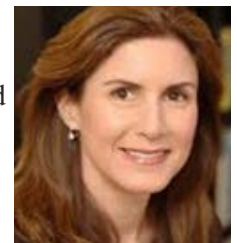
EDELMAN HEALTH FOUNDER TURETT TO APCO

Nancy Turett, who founded and led Edelman Global Health and its Health Barometer, has joined APCO in New York as executive director.

After a 24-year run, Turett left Edelman in 2012 to serve as principal of WholeView, advising corporate and NGO officials on personal and public health issues.

It has partnered with the World Health Organization, United Nations and Robert Wood Johnson Foundation, among others.

Turett also was media relations and PA director at Mount Sinai Hospital in New York.



Nancy Turett

SURVIVING IN THE 'AGE OF DISINFORMATION'

There's a battle for truth, in which people no longer share common facts and are unable to have a rational debate, Richard Edelman said in his April 12 speech at USC Annenberg School of Communication and Journalism.

He said decisions are based on fears and emotions in the interests of short-term rather than societal gains.

As the media's watchdog role over the powerful is weakened, nations become vulnerable to populism and volatility.



Richard Edelman

Edelman said globalization, impact of the Great Recession, fear of immigrants and the rise of automation have weakened trust in institutions.

He believes we've entered the Age of Disinformation, the most insidious wave of all, to undermine the capacity to distinguish between truth and lie.

In the world of weakened media, communicators must recognize their role as principal, not agent. "Our aim is to supplement mainstream journalism, which should still be the primary means of objective fact-gathering and dissemination," said Edelman.

He believes every company should be its own media company. His firm practices "collaborative journalism," which is a news operation that speaks directly to end-users through corporate channels and social media.

Accuracy, transparency, open exchange and ethics training are keys to the success of a media operation. "We must provide factually rigorous, journalist-quality information," he said.

Since business emerged as the most-trusted institution in global governance in Edelman's 2018 Trust Barometer, it is expected to fill the void left by ineffectual government.

That creates even greater responsibility for the chief communications officer. "We are observing the move of CCO to a broader role as advocate for change, the Chief Change Officer," said Edelman.

He cited CCOs Sue Garrard (Unilever), David Kamenetsky (AB InBev) and Andy Pharoah (Mars) as examples of executives who have added functions such as sustainability, corporate strategy, and supply chain management to their oversight duties.

For their part, communications firms must evolve to bring ideas to clients that are consistent with the new aspirations of business.

"We should be the ones with the creative spark that starts movements, to bring purpose to each brand and to solve big problems in society," Edelman said.

His firm has hired 600 creatives, planners and paid media staffers and built an 800-person social media operation to make that happen.

During this time of deep discontent, business is now in the best position to move society in a positive direction.

But to earn this broader mandate, business must recognize its responsibilities, operating in an accountable and transparent manner.

"This requires a more powerful role for the CCO as Chief Change Officer, to establish the context in which the enterprise can succeed," concluded Edelman.

ACCOUNTS IN TRANSIT

Citizen Relations has been named communications/PR partner for travel site **Hotwire**. Citizen will develop and deploy communications strategies and integrated messaging across the brand's media, consumer and influencer targets. The firm will work alongside FCB West, which is to execute creative strategies for the brand, and Fallon, which will take on media-related duties.

Rogers & Cowan is the new agency of record for **The British Academy of Film and Television Arts Los Angeles**. Rogers & Cowan will support BAFTA Los Angeles by providing publicity and strategic counsel for all of its initiatives and events, which include the BAFTA Student Film Awards, the BAFTA TV Tea Party, the British Academy Britannia Awards and the BAFTA Tea Party.

Hemsworth Communications checks in with **Orion**



Span, the company developing Aurora Station, which is being called the first luxury space hotel.

Hemsworth has already begun execution of a comprehensive public relations strategy to create awareness for both Orion Span and Aurora Station. The agency is also pursuing brand partnerships to enhance the Aurora Station experience and will showcase the company's executive team in various thought leadership campaigns.

Zapwater Communications has been named U.S. PR agency of record for **PrivateFly**, a global booking platform for chartering on-demand private jets. Zapwater will be responsible for media relations, events and partnerships for the company within the United States. Its engagement with PrivateFly began in March and will be managed primarily out of Zapwater's Los Angeles office.

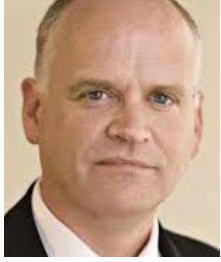
Cheryl Andrews Marketing Communications is now the North American PR agency of record for Spanish-based **Sirenis Hotels & Resorts**. CAMC will represent the brand's all-inclusive Caribbean and Mexican properties. CAMC also represents the tourism board of Costa Rica, the tourism board of the island of Grenada, and resorts throughout Florida and the Caribbean.

LANE, a Finn Partners Company, has added **Applegate**, **Dutch Bros Coffee**, the **International Olive Council** and the **Marine Stewardship Council** to its food-and-beverage client portfolio. For Applegate, the agency will conceptualize and implement up to four campaigns this year. LANE's work for Dutch Bros Coffee will focus on public relations activities in seven western states. The International Olive Council selected LANE to develop and execute the Olive Oil Promise, a three-year marketing campaign aimed at educating Americans about the health benefits of olive oil. The agency will lead U.S. communications efforts for the Marine Stewardship Council through a series of consumer engagement campaigns.



TRUSCOTT ROSSMAN NABS FOURNIER

Ron Fournier, *Crain's Detroit Business* editor/publisher and veteran DC political journalist, has joined Truscott Rossman in Lansing.



Ron Fournier

He will succeed president Kelly Rossman-McKinney, who is retiring June 1 to run for a state Senate seat.

Fournier moved to *Crain's* in 2006 after serving as Associated Press' national political writer/DC bureau chief, *National Journal* editor-in-chief and *Atlantic* columnist. He began his journalism career at the AP in Little Rock, where he covered Gov. Bill Clinton.

At TR, Fournier will help shape the direction of the firm and seek new business opportunities.

MERCURY CONSULTS KAZAKHSTAN

Mercury Public Affairs has inked a three-month, \$90,000 pact to lend consulting and management services for the Republic of Kazakhstan's Ministry of Justice.

The public affairs and strategy shop will provide strategic consulting and management services to the central Asian country, according to Foreign Agents Registration Act documents filed with the Justice Department.

Mercury will work as an independent subcontractor on behalf of U.S. law firm Latham & Watkins, while the effort will be funded and performed under the direction and supervision of Kazakhstan's Ministry of Justice.

PEOPLE ON THE MOVE

French/West/Vaughan has brought on Rachel Wing as vice president, John Moore as creative director and Jerstin Crosby as social media art director.... **Gatesman** has promoted Desiree Bartoe and Beth Thompson to VP, group account directors on the public relations and social media team, and Mark DiPietro to VP, creative director.

PORTER NOVELLI EXPOSES REFUGEE CRISIS

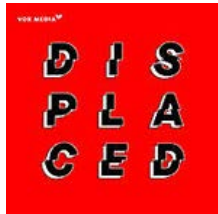
Porter Novelli is supporting the launch of the International Rescue Committee's "Displaced" podcast series, which shines a light on the global refugee crisis.

Produced with Vox Media, *Displaced* will be a weekly feature exploring the work of policymakers, humanitarians and advocates to solve global conflicts and crises.

PN, which is part of Omnicom, is working on an integrated communications program with earned/paid media components and will arrange a series of IRC events.

Ravi Sunnak, executive VP-sustainable development goals and social impact at PN, said the firm's "commitment to taking an advance look at social issues and building purposeful work," makes it a great fit for the campaign.

British politico David Miliband heads New York-based IRC. He served as the UK's Secretary of State for Foreign Affairs focused on human rights issues, Secretary of State for the Environment and Member of Parliament.



AMERICANS LIKE—AND DISTRUST—FACEBOOK

Facebook is facing a major trust backlash in light of the ongoing Cambridge Analytica scandal, yet paradoxically, most Americans said they still like the platform.



Two-thirds of Americans — 66 percent — professed liking Facebook, while 55 percent admitted they no longer trust the site, according to a recent poll on Americans' perceptions of tech companies released by San Francisco-based tech firm Bospar.

Overall, the study found that Americans' favorite tech company is Google. An impressive 88.9 percent of respondents said they like the search engine giant, and 78 percent said they also trust the company. Microsoft took a close second place, which earned an 83.7 percent favorability rating and a trust rating of 77.6 percent. Despite its high rate of user distrust, Facebook came in third for most-liked company. LinkedIn, Uber and Twitter followed the social media giant, but of those companies, only Uber trailed Facebook in the distrust department.

Facebook continues to face mounting criticism after data analysis and political consulting firm Cambridge Analytica improperly gained access to the personal data of 87 million of the site's users in a bid to pitch them Trump-related materials for the 2016 election.

When asked what recent tech-related PR crisis was handled the best, nearly half of respondents cited Apple's admissions in December 2017 that it had intentionally slowed down the performance of older iPhone models via its operating software updates. The least admired crisis response involved the recent security breach of athletic apparel brand Under Armour's MyFitnessPal app, which compromised as many of 150 million user accounts.

Bospar's study was conducted in early April by market research company Propeller Insights and polled more than 1,000 U.S. adults online.

MEDIA MANEUVERS

The Denver Post responded to a new round of staff cuts demanded by its owner, Aldus Global Capital, by giving its April 8 Perspective section over to articles protesting the move. The Post has undergone several staff reductions since Aldus took control in 2010, with 20 employees being offered buyouts in 2015, 26 laid off or offered buyouts in 2016 and 10 laid off last November.

With a newsroom staff that now numbers less than 100, the new cuts would axe another 30 positions.

The Economist Group has combined its sales and circulation teams to form a new publisher team. This structure brings together the circulation division and the sales, marketing solutions, events and analytics divisions. Michael Brunt has been appointed chief operating officer and publisher of *The Economist* and will lead the new team. Brunt has been with The Economist Group since 2006, most recently as managing director and chief marketing officer for circulation.



IPG'S TOP MANAGEMENT TAKES PAY CUTS

Interpublic CEO Michael Roth took a 6.1 percent cut to \$16,883,818 in total compensation for 2017, according to the ad/PR conglomerate's proxy statement.



Michael Roth

An 11.9 percent drop to \$7,548,750 in non-equity incentive plan comp, which includes performance-based cash awards, accounted for most of Roth's pay shortfall.

Frank Mergenthaler, executive VP/chief financial officer/CMG chairman, saw a 7.6 percent fall in comp to \$6,268,963, while Philippe Krakowsky, executive VP/chief strategy and talent officer/IPG Mediabrands chairman, took a 2.1 percent pay hit.

The median total compensation of IPG's 49,000 full-time, part-time and temporary workers (excluding Roth) was \$63,936.

EX-DE BLASIO PRESS SECY. RESTARTS FIRM

Karen Hinton, who was press secretary for New York Mayor Bill de Blasio has re-launched her firm to focus on issues such as environmental protection, affordable housing and employment opportunities for low-income individuals.

Most recently chief strategy officer at Fenton, Hinton handled de Blasio's messaging, branding and oversight of a ten-person staff.

Prior to joining de Blasio's team, she ran Hinton Communications and was senior advisor to former Housing and Urban Affairs Secretary and current New York Governor Andrew Cuomo.



Karen Hinton

HOWARD GETS MEDAL OF HONOR WORK

Howard Consulting Group is working Capitol Hill on behalf of the National Medal of Honor Museum Foundation, which wants to build a facility to honor recipients of the nation's highest military decoration.

The Foundation on March 26 announced that Joe Daniels, a veteran of the National 9/11 Memorial & Museum in New York, would become its CEO on April 1.

Daniels spent 11 years working on the planning, construction and programming of the New York memorial located at the site of the World Trade Center.

HEARST INVESTS IN FINANCIAL INFO SERVICES

Hearst has agreed to pay \$2.8B cash to acquire the remaining 20 percent stake in Fitch Group (credit ratings, financial data) held by France's Fimalac, holding company of French billionaire Marc Ladreit de Lacharriere.

Fitch, which competes in the ratings business with the larger Moody's and Standard & Poor's, will become Hearst's largest wholly-owned business.

Hearst made its initial Fitch investment in 2006 and increased the holdings to 80 percent in 2015.

DISCOMFORT WITH THIRD-PARTY DATA ACCESS

Fewer than 17 percent— 16.7 percent — of consumers said they're comfortable with the idea of third-party app developers acquiring and using their personal information for marketing purposes, according to a recent survey by intelligence platform Vision Critical.

Most consumers said they don't mind sharing their personal data if it adds value to their overall customer experience, and particularly, if brands are open and transparent regarding how that information will be used.

The survey found that most consumers — 66 percent — said they're comfortable with the practice of sharing their personal information, as long as brands proactively tell them how they're going to utilize it. And 42 percent also said they'd be more willing to share that information if they had an opportunity to edit or delete it.



Consumer data has always been social media networks' bread and butter, yet the Cambridge Analytica scandal has apparently caught many consumers in disbelief regarding the fact that the crumb-trail of data we leave behind in the digital realm is precisely why we're invited to establish online residences on these channels for free. As a result, consumers are now paying more attention to the data they share online and what companies do with it, with many calling for improved transparency guidelines regarding the information that networks and third-party app developers acquire and share.

Overall, the survey found that 80.1 percent of respondents said they're comfortable sharing personal information directly with brands for the sake of receiving more personalized messages. And 41 percent said they're willing to share personal information if it results in more personalized service or faster conflict resolution.

CHINA'S HNA HIRES COMMERCE DEPT. ADVISOR

China's HNA Group has hired Israel Hernandez, who was senior advisor to Commerce Secretary Wilbur Ross, as head of international corporate affairs. Ross is President Trump's point man in the threat to impose tariffs on China.



Israel Hernandez

One-time Brunswick Group executive Hernandez joined the Commerce Dept. in 2005 and exited in December as Acting Undersecretary of International Trade. Earlier, he served in the Bush II White House.

HNA, which has more than \$100B in 2017 revenues from interests in travel/tourism, financial services and logistics, has been struggling under a heavy debt load related to its \$40B global acquisition spree.

China's government has put pressure on HNA to scale back its overseas business to reduce debt.

Hernandez, who also did stints at TPG Capital, Facebook and Afero, will report to HNA CEO Adam Tan. Sard Verbinen & Co. represents HNA.

COMMENTARY

SIR MARTIN, PR MAN EXTRAORDINAIRE

Three cheers for Sir Martin.

Love him or not, the ad/PR community is going to miss Martin Sorrell—assuming that the 73-year-old architect of WPP doesn't stage a comeback.

A serial acquirer who applied tough financial controls on an advertising world that prized creativity, Sorrell also emerged over the years as the leading spokesperson for the communications business. That's a very rare bird.

In a business notorious for leaders unwilling to speak publicly about the issues of the day, Sorrell was readily available to pontificate on matters such as globalization, Donald Trump's rise, Brexit and threats to the advertising/PR sector posed by Google, Facebook, Deloitte, Accenture to ad/PR.

WPP's annual report and financial updates, which Sorrell assured me that he wrote, were joys to read.

For instance, WPP's March 1 update on 2017 preliminary results referred to "piranha or gladiator brands" and called inflation the "canary in the coal mine" that could wallop steady growth in Central and Eastern Europe.

ZUCK/COMEY STEAL TRUMP'S PR SPOTLIGHT

Facebook chief Mark Zuckerberg did the thought-to-be impossible, topping Donald Trump as April 10's headliner, with his mea culpa on Capitol Hill for allowing Cambridge Analytica to "harvest" the data of 87M Facebookers, which possibly helped the Russians keep Hillary Clinton from the White House.

A grateful nation thanks you, Mark. You gave us a much-needed reprieve from 24/7 Trump.

The President did his level best to keep the media spotlight.

Trump railed over news that the FBI raided the office and hotel room of his personal lawyer, Michael Cohen, in search of records about payments to stripper Stormy Daniels and former Playboy model Karen McDougal, who claim they had sex with the now tweeter-in-chief.

Adding salt to the wound, Trump nemesis, deputy general Rod Rosenstein, who appointed special prosecutor Robert Mueller to investigate the president, personally signed off on the FBI's raid.

Trump stewed about whether he should do a package deal trifecta firing of Rosenstein, Mueller and attorney general Jeff Sessions.

Zuck, though, temporarily stole the PR show. Dodging cardboard Zuckerbergs wearing "Fix Facebook" shirts, the FB CEO—accompanied by a dozen handlers—cooly took the Senate witness chair to admit that his



Sorrell, who was noted for his lightening responses to emails, was a master of the pithy quote. He cheekily smacked down arch-nemesis Publicis Groupe CEO Maurice Levy following the collapse of the French firm's merger with Omnicom. The WPP boss summed it up nicely with, "Their eyes were bigger than their tummy."

Sorrell spent 33 years building Wire & Plastic Products corporate shell into an enterprise with more than 200,000 people and operations in more than 100 countries.

He was a man of his time, but times have changed. WPP is now a cumbersome structure ill-suited for today's agile communications environment. It will most likely be broken up into individual pieces.

The *Guardian* estimates the pieces of WPP are worth \$31B, which is \$10B more than its market value.

The break-up number will certainly catch the eye of WPP's executive chairman and hedge fund executive Roberta Quarta, who is filling in for Sorrell.

Quarta is known for his corporate cost-cutting skills, which earned him the nickname "Spare No Quarta" and "Bob the Knife."

Good luck to everybody at WPP. Hurry back, Sir Martin.

—Kevin McCauley

company didn't do enough to prevent its tools from producing fake news, interfering in elections, generating hate speech and destroying data privacy.

"We didn't take a broad enough view of our responsibility, and that was a big mistake. It was my mistake, and I'm sorry. I started Facebook, I run it, and I'm responsible for what happens here," said the repentant Zuckerberg, according to his transcript.

The grilling continued April 11, and then Zuckerberg flew off to California to try to restore user and investor confidence in his site. He'll fade from the spotlight.

The rest of us aren't so lucky. Trump isn't going anywhere for now, especially since he's engaged in a steel cage verbal wrestling match with ousted FBI Director James Comey, who called Trump "morally unfit" to serve as president during his ABC TV interview on April 15.

Relying on Twitter, the president trashed Comey as a "slimeball," "slippery," "not so smart" and "the worst FBI directory in history, so far." His tag-team partner, Sarah Huckabee Sanders, entered the ring dissing Comey as a liar and "self-admitted leaker." (Note to Sarah: Is a person who leaks his own statement to the press a leaker?)

For those scoring the match, The G-Man wins Round I after body slamming the real estate maven to the ring.

Don't count Trump out. Look forward to more PR fun as the match continues through Comey's national book tour.

—Kevin McCauley