Jack O'Dwyer
Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
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271 Madison Ave., New York, NY 10016
212/679-2471. Fax: 212/683-2750
www.odwyerpr.com; jobs.odwyerpr.com

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LIPIN LEAVES BRUNSWICK GROUP

Brunswick Group senior partner Steven Lipin announced that he's leaving the global M&A PR advisor after nearly 16 years.

In a Friday statement, Lipin, who lead Brunswick's New York office and was responsible for the growth of the advisory firm's practice in the U.S., said his departure "reflects a desire on my part to do something different," and announced that he plans to start his own firm.

Steve Lipin

The former *Wall Street Journal* finance editor, who's been stationed with Brunswick since 2001, said that new venture would focus on critical communications, M&A, activism defense and C-suite corporate issues.

"I am blessed and humbled to have worked with an amazing group of professionals who are passionate about their work and doing our very best for our clients. When I came here from the Wall Street Journal, I expected nothing but the same high standards and expectations of excellence that were expected at the Journal. And that is what I found at Brunswick," Lipin said in the statement.

"I wish the firm and my colleagues the very best as they go from strength to strength," Lipin continued. "It has been a privilege working at the firm for the past 16 years."

More M&A News >>

BATLINER IS PRES. OF CARMICHAEL LYNCH

Creative agency Carmichael Lynch has promoted Julie Batliner to president. She'll continue in her current role as managing partner and president of **Carmichael Lynch Relate**, the PR side of the business.

In the first full year of Batliner's leadership, Carmichael Lynch Relate's revenue grew more than 47 percent and head count increased more than 50 percent with less than 3 percent turnover rate.

Julie Batliner

Batliner will report to Carmichael Lynch CEO, Marcus Fisher, who previously was president.

"As the marketing landscape continues to evolve, we continue to bring public relations and advertising together to provide holistic business solutions for our clients. We believe our blended offering is part of what makes us unique. It allows us to be idea and solution based, not discipline based. We are getting great feedback from our clients who are benefitting," Batliner told O'Dwyer's.

NASSAU COUNTY ISSUES NAMING RIGHTS RFP

Nassau County, New York has **issued a request for proposal** regarding an upcoming bid for municipal property naming rights for the Nassau County Aquatic Center located in East Meadow, as well as the Facilities at Cantiague Park located in Hicksville.

This naming rights opportunity will give an organization the ability to showcase its commitment to the community and its youth, as well as establish long-term visibility for the organization and make a positive impact on Nassau County's recreation facilities.

Applying organizations must register as a vendor in order to submit a proposal: **www.nassaucountyny.gov**.

Questions should be forwarded to Karen Beckhard Ravener at **kbeckhardravener@nassaucountyny.gov**.

Deadline is May 5.

More RFPs >>

SANTA MONICA ISSUES SUSTAINABILITY RFP

Santa Monica's Office of Sustainability and the Environment is **looking for a creative agency** that can provide marketing and community outreach services.

That beachfront city's OSE plans to develop a series of public information campaigns focusing on issues such as sustainability, climate change, energy, water conservation, green building and watershed management. As a result, it is seeking a firm that can provide community education, general promotion/advertising, targeted promotion/advertising, PR/earned/social media, experiential marketing, community outreach and government and community relations services.

Proposals will be evaluated on experience and qualifications, references, sample materials, cost and an ability to perform the work within the desired time frame.

The Office of Sustainability and the Environment intends to award a contract(s) for a one-year term, with four additional one-year options for a total contract term of up to five years.

Contact is Kevin Purcell, City of Santa Monica senior administrative analyst, **kevin.purcell@smgov.net**.

Proposals are due by 5:30 p.m. on April 27.

All project correspondence for the RFP will be posted to the **Planet Bids website**.

More RFPs >>

PODESTA SPELLS OUT UKRAINE SALVO

Podesta Group last week filed documents with the United States Department of Justice detailing services it completed three years ago for a pro-Russia Ukrainian political party, work that was allegedly performed under the guidance of former Trump campaign manager Paul Manafort and his longtime deputy Rick Gates.

That retroactive filing comes after months of media scrutiny into Manafort's undisclosed lobbying and PR work for pro-Russian interest groups, as well as mounting federal investigations into the financial transactions behind that activity and any possible communication Manafort, a veteran lobbyist and longtime Republican strategist, may have had with Russian officials before and during the 2016 presidential election.

Between April 2012 and June 2014, Podesta represented the European Centre for a Modern Ukraine, a Brussels-based nongovernmental group backed by unnamed business officials, which bills itself as "an advocate for enhancing EU-Ukraine relations." Foreign Agents Registration Acts documents filed in April show that Podesta was retained by ECFMU to assist in advancing its mission to improve ties between Ukraine and the west, "with an ultimate goal of Ukrainian admission into the European Union and closer alignment with other Western institutions."

That work primarily focused on government relations and PR services within the United States, and included outreach to officials in the House and Senate, the State Department and the National Security Council, and as well as members of the media, nongovernmental organizations and think tanks.

Podesta also arranged meetings and media opportunities for Ukrainian and European politicians and business leaders visiting the U.S., and in Europe, sought to arrange meetings for U.S. politicians visiting European nations.

Lobbyists are required by federal law to register any work they do for a foreign government with the DOJ, per the Foreign Agents Registration Act of 1938. Podesta's work for ECFMU had previously been disclosed to Congress through the Lobbying Disclosure Act, but the Washington, D.C.-based political affairs powerhouse declined to file its work with the DOJ, presumably because it was not aware that ECFMU was connected to a foreign government.

Indeed, in the April FARA filing, Podesta maintains that prior to engagement, ECFMU executives "provided written certification to the firm that 'none of the activities of the Centre are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a government of a foreign country or a foreign political party,'" and that Podesta would be immediately informed "should that representation no longer be true."

"Neither [ECFMU executives] nor any representative of the European Centre for a Modern Ukraine ever informed the Registrant that the signed certification was no longer accurate. The Registrant has no direct knowledge of the European Centre for a Modern Ukraine's sources of funding," the documents read.

Read the rest of this story on odwyerpr.com >>

PR PROS WEIGH IN ON UNITED FLIGHT FIASCO

United Airlines officially **dethroned PepsiCo** for PR disaster of the week, after a widely-circulated series of graphic videos showed a passenger being manhandled and forcibly removed from a flight at Chicago's O'Hare Airport.

Personnel working the overbooked United flight 3411, which was en route to Louisville, discovered they needed to open up four seats at the last minute for embarking crew members. After fruitlessly attempting to offer passengers financial compensation, hotel accommodations and a rebooked Louisville flight the following afternoon, an airline supervisor began randomly selecting passengers for removal.

Three passengers from the sold-out flight complied, but a fourth, a 69-year-old Elizabethtown, KY doctor named David Dao, refused, claiming he had patients waiting to see him the following morning. In response, personnel contacted Department of Aviation enforcement officers, who yanked a screaming Dao from his seat, causing his face to strike an armrest. Officers then pulled the man's bloodied, limp body down the aisle and out of the cabin. Dao, who specializes in internal medicine and is a father of five, was later admitted to a hospital for his injuries.

So much for flying the "friendly skies."

Videos of the graphic incident were soon **posted to YouTube**, and predictably, they went viral, provoking global outrage. Scores of consumers swore off the airline, with some even posting **photos of their newly-shredded United credit cards** and frequent flyer member cards. The Department of Aviation officer responsible for injuring Dao has since been suspended as the matter moves under internal review. The Department of Transportation said it is also reviewing whether United **obeyed consumer protection laws** in its handling of the incident.

Initially, United avoided standard apology theater in favor of doubling down amid the PR fallout, claiming that employees had followed the proper protocol and even blaming the victim for the events that transpired.

United Airlines CEO Oscar Munoz first **issued a tone-deaf statement** via Twitter, expressing regret that it was forced to "re-accommodate" its passengers, a puzzling euphemism for forcibly dragging someone from a plane.


Brian Ellis

"They need to review their protocols, because clearly the ones they have didn't work very well," said Brian Ellis, executive vice president of **Minneapolis-based PR agency Padilla**. "Perhaps they should have resolved the seat issue before everyone got on the plane. Or perhaps they need to revisit what they are willing to offer consumers when they have to bump them off to make room for crews. Getting bumped for another paying customer is one thing, getting bumped to make room for a crew member is a totally different thing and points to poor asset management practices. This issue should never be resolved by dragging a paying customer off the plane."

PR PROS WEIGH IN ON UNITED FLIGHT FIASCO

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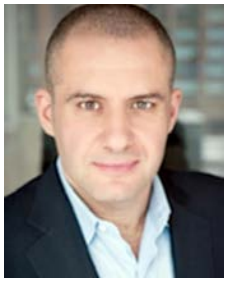
Munoz's statement was so ineffectual it ended up becoming part of the story, with late-night **comedian Jimmy Kimmel referring to the response** as "sanitized, say-nothing, take no responsibility, corporate BS-speak."

Amazingly, Munoz managed to make the situation even worse in an **emailed statement to employees**, where the executive referred to Dao as "disruptive and belligerent," words that only stoked the public's ire and ensured the story continued rotations in the news cycle.

"United's argument that they are legally entitled to remove the passenger may be right, but being right in the court of law doesn't work to win in the court of public opinion," said Ronn Torossian, founder and CEO of **5W Public Relations**. "The images of the passenger being dragged off a plane are gross, and United won't win any points from anyone with their statement. They need to apologize to the customer and the public, and the whole airline industry needs to work on becoming more customer friendly."


Ronn Torossian

Several media outlets reported that the crisis had also **hit United's stock price**, causing it to drop more than three percent by last Tuesday a.m., or nearly $1 billion in value. United is the third-largest airline in the country by passenger traffic.

Ironically, Munoz, who took the United president and CEO title in 2015, was named "Communicator of the Year" by *PRWeek* at that trade publisher's signature awards ceremony in March. The untimely accolade provoked the publication to **issue a mea culpa of its own** in its editorial pages today, where it claimed that if the publication "was choosing its Communicator of the Year now, we would not be awarding it to Oscar Munoz."

This crisis also comes just weeks after United temporarily **barred two teenage girls from boarding** a Minneapolis-bound flight for wearing leggings, a clothing item that allegedly violates the company's dress code policy for "pass travelers," a free-flying program for United employees and their relatives.

"My gut tells me everyone that is flying United these next few weeks will be worried about this happening to them," Ellis said.

A third attempt to quell public discontent was made, one in which Munoz appeared to have finally changed his tune. The executive in an updated statement said the airline would conduct "a thorough review" of its policies, and that it "will work to make it right." Munoz also said he continues "to be disturbed by what happened" and extends his "deepest apologies."

"If it was my agency counseling United, we would recommend they prepare a full report of the incident, how it got away from them and take full responsibility," said Michael Fineman, president of **San Francisco's Fineman PR**.

Fineman said that report would also lay out how United intends to make good on its promises regarding the ejected passenger, and would be augmented with a larger plan demonstrating new company guidelines and policies, especially new employee training programs to ensure a similar incident never occurs.

"It has been reported that United's reputation has been in the tank for some time; this could be a very bad-for-business tipping point. Were they to provide the report and plan I mention above, it could be seen as an acknowledgement of marketplace dissatisfaction and a new beginning in how they will treat their customers," Fineman said. "Then, of course, United would need to demonstrate genuine progress and show that progress through independent audits of the airline's customer service."


Michael Fineman

"With no new news to feed it, this crisis will go away quickly," said Fraser Seitel, Emerald Partners president, NYU communications professor and O'Dwyer's contributing editor.

Seitel said that while United should maintain its current overbooking policy — because, according to him, "people lie about traveling" — the company should change its policy so as to handle passengers slated for removal before they board, never expelling riders once they've been admitted onto the plane. Seitel also said Munoz should be the one to announce these changes, and should then "shut up and let the crisis dissolve," because it will on its own eventually.


Fraser Seitel

"And I predict, despite what most other crisis management geniuses have said, United won't lose riders, will see its stock come back from the initial loss, and people will move on to the next Kardashian/Trump/O'Reilly crisis," Seitel said.

GREENOUGH HAS NEW RESEARCH PRACTICE

Boston-based Greenough Brand Storytellers has launched a new research practice dedicated to helping clients develop and improve their brand journalism strategies.

The agency's Brand Journalism Research unit will serve as an anchor for clients' media relations campaigns, lead generation and thought leadership capabilities. The offering, which provides concepting, research design, execution, analysis and recommendations for converting insights into brand journalism strategies, is designed to help clients improve content marketing efforts and fill storytelling voids across earned and paid media channels.


Phil Greenough

"With millions of pieces of content shared every day, it's more important than ever to create fresh, insightful and useful content that goes beyond the rehashed, retweeted and recycled," Greenough CEO Phil Greenough told O'Dwyer's. "Through original research such as surveys, focus groups and social media analysis, our Brand Journalism Research offering helps clients identify the 'content voids' and create compelling content that fills them. The result is thought leadership, lead gen and media relations campaigns that sustain momentum for months and even years to come."

PR executive search pioneer Larry Marshall, looking back on a 50-year career that included working for more than half of the *Fortune* 500, said the most striking change he sees is the switch from male to female executives.

"In the late 1960's, most communications practitioners, especially senior-level corporate executives, were male, many of them former journalists," said Marshall, who heads Marshall Consultants, Ashland, Ore. "Now most are female and come from a broad variety of disciplines. There are many high-profile, top-level women corporate communications executives."

Larry & Joy Marshall

"In those early days, women had subordinate PR roles, primarily doing marketing publicity. Many now head corporate communications functions and are well-respected as strategists, often counseling and reporting to the CEO," he said.

"Whereas PR, corporate and marketing communications, and investor relations were relatively minor corporate functions, often for 'window-dressing,' they are now in senior management, akin to other senior functions such as finance, legal, marketing, and human resources," he said. "They are seen as vital to the very existence of corporations. Some have even become the 'consiglieris or 'gurus' to the 'Dons' of industry!"

Mid-senior level compensation that used to be in the $25K to $50K area is now in the $125K to $250k bracket, he said, with some packages exceeding $500k. "Years ago, salary was the sole component of compensation, but now packages are often boosted by hefty bonuses, stock options, deferred compensation, family college grants, etc."

Duties of Corp Execs Expanded

Marketing PR programs were dominant in the 1960s but executives are now working on corporate media relations, internal communications, public affairs, crisis communications and corporate social responsibility, among other areas, said Marshall, who founded the first retainer-oriented search firm to specialize in the PR area. A New York office was maintained from 1967-2001.

"Corporate practitioners had little job security, often being 'the last to know and first to go,' but are now seen as essential to corporate growth and survival, some being the one to finally turn off the lights in failing companies!"

"Whereas PR firm success was often measured by how much 'ink' was secured, nowadays message-targeted, strategic media PR programs, counseling ability, media training, relationship-building and business acumen are often keys to success. Print and broadcast media used to be the principal targets but today comprehensive and diverse communications, especially new digital and social media, are required."

PR Firms Grew Exponentially

While duties of top corporate communications executives expanded, the size of corporate staffs shrank as many functions were shifted to outside firms. A similar trend took place in the 1950's and 1960's when corporate ad departments were closed in favor of independent ad agencies which were able to put many creative minds on a project and also had buying power that could reduce the cost of media time and space.

Revenues of the leading PR operations were in the single-digit millions in the 1970's. Biggest firm in 1971 was Hill and Knowlton with $8.5M in fees, followed by Ruder Finn, $6.3M, Burson-Marsteller, $6M, JW Thompson PR dept., $5.4M, and Harshe & Rotman, $3.7M. The operations grew by leaps and bounds as corporations transferred many functions to outside counsel and the firms added new areas of expertise. Propelling the growth was purchase of many of the leading firms by conglomerates including WPP, Omnicom Group of Companies, the Interpublic Group of Companies, Publicis and Havas. The offerings of the firms were expanded and ad clients referred to them.

Revenues of Edelman, the biggest firm, an independent, **were $874 million in 2016**. Other major operations, according to figures compiled by everthing-PR.com, a U.K. organization, are **Weber Shandwick**, a unit of IPG, with $800M in revenues; OMC's **Fleishman-Hillard**, $580M; OMC's **Ketchum**, $515M, and MSL Group of Publicis, $490M. Figures are for 2015.

Marshall Typified Era of Sociability

Marshall, who hosted gatherings at his East Side New York apartment, as well as inviting PR people and press for stays at his house near the Catamount ski resort in the Berkshires, personified an era of sociability in PR that lasted to about 2000.

A goal of corporate, agency and service people was to become close personal friends with as many editors as possible, opening their homes to visits by editors and visiting editors' homes. PR and press mixed at more than a dozen New York luncheon and dinner groups. Contact points of PR people were available in PR/IR industry directories.

PR/press contacts currently are mostly via emails. Communications with the press are closely monitored by corporate management.

Marshall searches over the years included mid-senior corporate communications staff for Avon, Citicorp, ITT, Mobil, Playboy, United Technologies, American Express, Pepsico, AT&T, New York Stock Exchange and John Hancock, where he recruited David D'Alessandro, who rose from communications chief to CEO.

Agency clients included **Burson-Marsteller**, Bozell PR, **Kekst**, **Edelman**, Rowland, Howard Rubenstein. **Ruder-Finn**, Ketchum, GCI, KCSA, Omnicom, **Porter-Novelli**, and Lobsenz Stevens, among others. Nonprofits included United Jewish Appeal, Planned Parenthood, American Bible Society and United Way.

Associates of the firm through the years included Walter Carlson, former New York Times ad columnist, Judith Cushman, Hugh McCandless, Susan Elion, Sandra Charet, Neysa Schindler, Anna Kosof, Cathleen DesRosiers, and James Bardwell. All were based in New York except Cushman, who also worked in Seattle, and DesRosiers and Bardwell, who worked in Los Angeles.

Marshall Consultants, which has branch offices in Seattle and Los Angeles, continues to handle a limited number of senior-level national and global searches. ***– Jack O'Dwyer***

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