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O'Dwyer's Newsletter



**The Inside News of
PR and Marketing
Communications**

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April 23, 2018 Vol. 51 No. 17

LE&A ACQUIRES OWEN BLICKSILVER PR

Grand Rapids-based Lambert, Edwards & Assocs. has acquired financial PR powerhouse Owen Blicksilver PR to move into the New York market.

Blicksilver is noted for its private equity, M&A, real estate, crisis, bankruptcy, litigation support and B2B marketing savvy.



Jeffrey Lambert

Blicksilver retains its branding and now becomes a Lambert, Edwards & Associates company. Founder Owen Blicksilver has inked a multi-year contract and will serve as president of the Blicksilver unit.

“When the opportunity arose to add a great team and stellar client base

in New York, the biggest media and capital markets city in the world, we jumped at it,” Lambert founder and CEO Jeffrey Lambert told *O’Dwyer’s*.

LE&A reported \$7.6M in total net fee income for 2017 and ranked as *O’Dwyer’s* No. 13 financial services firm with \$2.6M in income.

NYMAN EXITS CEO POST AT PMK*BMC

Michael Nyman is exiting the co-chairman & CEO post at entertainment PR agency PMK*BMC to launch Acceleration, an investment/advisory firm.



Michael Nyman

Acceleration will acquire and grow businesses via aggressive branding/marketing/media strategies.

Nyman launched Bragman Nyman Cafarelli in 1991, sold it to Interpublic in 2000 and engineered the merger with PMK in 2009.

At PMK*BMC, Cindi Berger shared the co-chairman & CEO title with Nyman.

EDELMAN HIRES DE BLASIO AIDE

Edelman has recruited Andrea Hagelgans, senior advisor to New York Mayor Bill de Blasio, as executive VP for Public Affairs.

She joined Team deBlasio in 2014, working on issues such as police/community relations, launch of free Pre-K for All, Vision Zero traffic calming program and positioning the Mayor as a leading counterpart to Donald Trump.

Prior to deBlasio, Hagelgans was VP/strategic communications & media relations at Camino PR, senior associate at Spitfire Strategies and senior press officer/corporate & health communications at Planned Parenthood Federation of America.

PUBLICIS REPORTS 8.2% DIP IN Q1 REVENUES

Publicis Groupe reported an 8.2 percent slide in net revenues to \$2.6B due to unfavorable currency exchange rates. At constant rates, revenues advanced 1.6 percent.

CEO Arthur Sadoun said the French ad/PR conglomerate posted a “solid performance,” during the quarter, which reflected a positive swing from last year.



Arthur Sadoun

He played up the “good news” from the North American business that grew at a 2.8 percent clip.

Europe, up 0.3 percent, against a “very difficult comparable period,” was another “source of satisfaction” for Sadoun. Publicis enjoyed “an unprecedented track record of wins in the industry,” he said.

Sadoun expects higher growth for Publicis in 2018 than last year’s results. He is shooting for four percent organic growth by 2020.

OMNICOM'S PR UNIT POSTS 3.3% Q1 GAIN

Omnicom’s PR group posted a 3.3 percent rise in first-quarter revenues to \$346M, accounting for 9.6 percent of the ad/PR conglomerate’s \$3.6B revenues.

The PR spurt compares to a drop at OMC’s mainstay advertising segment (BBDO, TBWA, DDB), which dipped 1.4 percent to \$1.9B.

PR organic growth of 0.7 percent, however, trailed advertising’s 1.6 percent advance.

Ketchum, FleishmanHillard, Porter Novelli, Cone Communications and Portland pace the PR operation.

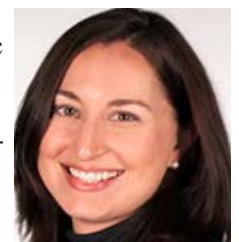
OMC chief John Wren reported that net income rose a solid 9.2 percent to \$264.1 million on 1.2 percent revenue growth. Organic growth was up 2.4 percent.

TWITTER'S HORNE MOVES TO BROOKINGS

Emily Horne, who heads global policy communications at Twitter’s DC office, plans to join the Brookings Institution this summer as VP-communications.

She joined Twitter last June after serving on the National Security Council as assistant press secretary and director of strategic communications.

Earlier, Horne was at the State Dept., working as communications director for General John Allen, who was special presidential envoy for the Global Coalition to Counter ISIL, and press advisor for South and Central Asian Affairs.



Emily Horne

KCSA COURTS CANNABIS CROWD

KCSA Strategic Communications is expanding its presence in the growing cannabis industry with the acquisition of Salar Media Group, which specializes in the sector. SMG founder and CEO Cynthia Salarizadeh is joining KCSA as a managing partner.

The New York-based firm's move comes as the trend toward legalized marijuana is intensifying across the country.



Cynthia Salarizadeh

Salar Media Group has represented brands that include cannabis tracking software company BioTrack-THC, Humboldt's Finest and JuJu Royal, the cannabis brand launched by Julian Marley.

KCSA's cannabis practice works for such clients as cannabis-focused agriculture company Terra Tech and Viridian Capital Advisors, a strategic and financial advisory firm dedicated to the cannabis industry.

NEWLINK ACQUIRES SPAIN'S GLOBALLY

Latin America communications consulting agency Newlink has acquired Madrid-based lifestyle shop Globally Eventos y Comunicación SA.

Terms of the deal were not publicly disclosed.

Globally is Spain's third-largest PR agency. Newlink in a statement said the deal positions the agency as one of the largest communications firms serving Spanish-speaking markets.

The joint entity will operate in Spain as Newlink Consulting and Communications Spain. Globally founding partners Carlos Serantes and Olivier Vallecillo will lead this unit, with Globally executive partners María de la Puerta and Susana López overseeing the agency's beauty and fashion practice and Barcelona operations.

Miami-based agency Newlink Group, founded in 1998, maintains additional offices in New York, Argentina, Colombia, Dominican Republic, Mexico and Peru.



Olivier Vallecillo

JOELE FRANK BACKS KNAUF VS. USG

Joele Frank, Wilkinson Brimmer Katcher supports Germany's Knauf in its proxy fight with building products competitor USG Corp. of Chicago.

Knauf, which has made a \$5.9B bid for USG, is urging shareholders to vote against four USG director nominees at the May 9 annual meeting.

USG, which relies on Sard Verbinen & Co., said Knauf's bid is "wholly inadequate, opportunistic and does not reflect the intrinsic value of the company."

Knauf, which owns about 10 percent of USG, knocks it for failing to engage in serious negotiations.

The Germans have a key ally in their fight. Warren Buffett's Berkshire Hathaway, who owns 31 percent of USG, plans to vote against the directors up for election.

Joele Frank, Ed Trissel and Annabelle Rinehart represent Knauf. SV&C's Jim Barron and Pam Greene work the media for USG.

ACCOUNTS IN TRANSIT

Percepture has been named PR agency of record for toy brand **Wham-O**. The agency will spearhead Wham-O's business-to-business and business-to-consumer communications efforts in conjunction with the company's 70th anniversary and launch of new products. Wham-O produces such iconic toys as the Frisbee, Hula Hoop and Slip 'N Slide. Percepture is a New York-based, fully-integrated public relations and (digital) marketing firm, specializing in campaigns for business-to-business and consumer organizations in the travel, consumer, lifestyle and tech sectors.



Magrino has added **11 Hoyt, Everdure by Heston Blumenthal** and **Miracle** to its roster of lifestyle clients in the areas of travel, real estate, food, wine, spirits, and consumer. 11 Hoyt is Tishman Speyer's new luxury residential tower located in Downtown Brooklyn, which is slated to launch sales in summer 2018.



Everdure by Heston Blumenthal is a line of barbecue grills developed by celebrity chef Heston Blumenthal in collaboration with the Everdure company. Miracle is a family of holiday pop-up bars which will operate from November 23 to December 24 in over 100 locations around the world.

Bob Gold & Associates has been selected by Questex's **FierceCable**, a daily business and technology briefing for cable service providers, to promote its new conference, The Pay TV Show. The event, which will take place May 14-16 in Denver, will bring together leading cable, telecom, OTT, programming and tech companies to discuss the innovative technologies, strategies, and business models that industry leaders are using.

Sharp Communications has been hired by **1stdibs**, a marketplace for collectors and dealers of art objects, design, furnishings and fashion from more than 600 cities worldwide. Sharp Communications was selected to oversee all of 1stdibs' PR programs in North America.

Zapwater Communications has been retained by **Glenapp Castle**, a luxury castle hotel in Ayrshire, Scotland, as its US PR firm for media relations, influencer engagement and strategic partnerships. A family-owned property, Glenapp is a Relais & Châteaux and Pride of Britain Hotel. In addition to Glenapp Castle, Zapwater's international hotel and resort client list currently includes Coco Prive Private Island, La Sultana Signature Hotels, Casa Kimberly (Puerto Vallarta).



The S3 Agency has picked up **Himalayan Natural Mineral Water**. S3 will be tasked with raising brand awareness as Himalayan Natural Mineral Water enters the Chicago and Southern California markets, as well as being distributed nationwide via Amazon.com. The brand is being brought to the U.S. market in a partnership between Tata Waters and Talking Rain Beverage Company.

MOBILE AD SPENDS TO TOP TV IN '18

Nearly 70 percent of all digital advertising is slated to appear on mobile devices this year, with mobile accounting for nearly 34 percent of total U.S. ad spends in 2018, according to recent estimates by digital market research company eMarketer.



TV ads, meanwhile, are expected to comprise a 31.6 percent share of total U.S. ad spends this year, meaning that mobile ads are slated to outpace TV for the first time.

Overall, eMarketer said mobile advertising will grow at a rate of nearly 24 percent this year, surpassing total media's combined 6.6 percent growth by more than three times.

eMarketer recently reported that 90 percent of current native display ad dollars in the U.S. would involve content that appears on mobile devices.

LHG PROMOTES BLUEGRASS STATE

Lou Hammond Group has added the Kentucky Department of Tourism to its client roster. The agency will drive awareness of the state's outdoor, cultural, historical and culinary offerings through media relationships, social media partnerships, broadcast exposure and special events.

With 2018 designated as "Kentucky's Year of Food," the firm will showcase agritourism experiences, food and beverage talent, signature dishes and culinary trails, as well as the Bluegrass State's rich bourbon heritage and culture.

HUAWEI SCALES BACK US PUSH

Huawei has cut external affairs chief William Plummer as the \$93B electronics giant has struggled to make its mark in the US due to its alleged ties with China's government.

Seven-year Huawei veteran Plummer handled government, public, media and stakeholder relations in the US. He was the most senior member of Huawei's US team that was not a Chinese citizen.

Huawei spent \$1.2M in lobbying last year and counted APCO Worldwide and Strategic Public Affairs as its lobbyists.



William Plummer

PROSEK BOLSTERS PROFILE

Rich Myers, who has run the financial communications & capital markets at Edelman, now heads up Profile Advisors, a Prosek Partners unit focused on brand building, reputation management and strategic communications.

Its primary practice areas encompass capital markets positioning, executive positioning, crisis communications, regulatory issues management and special situations (i.e., activist campaigns, distressed investment positions, transactions and other portfolio issues).

Profile's co-founders include Russell Nuce, who was chief strategy officer at multi-channel video retailer Evine Live, and Greg Marose, who was VP at Edelman.

AWARDS RECOGNIZE DC WOMEN JOURNALISTS

The achievements of female journalists in the nation's capital will be celebrated at the 5th annual Washington Women in Journalism Awards on April 26. Hosted by Story Partners and *Washingtonian* magazine, the awards honor women "who have contributed greatly to our society through their dedicated journalism work," said Story Partners chairman Gloria Story Dittus.



Amanda Bennett, director of the Voice of America, will be taking home the award for Lifetime Achievement. Bennett's career includes stints as executive editor at Bloomberg News and editor of both the *Philadelphia Inquirer* and the *Herald-Leader* in Lexington, KY. Amy Walter, national editor of The Cook Political Report, is being recognized for her work in Broadcast Journalism. Audie Cornish, the co-host of NPR's "All Things Considered," is being honored for her work in Broadcast Radio. Lynn Sweet, Washington, D.C. bureau chief and a columnist at the *Chicago Sun-Times*, is the honoree in the Print category.

"In today's changing media landscape, even some of the most respected journalists have concerns over how reporting standards are challenged," said Dittus. "During the White House Correspondent's Dinner, we recognize reporters' commitment to solid journalism."

PEOPLE ON THE MOVE

Crosby Marketing Communications has hired **Jennifer Pilcher**, an expert on engaging the military and veteran communities, as a director, senior strategist. Prior to joining Crosby, Pilcher was founder and CEO of Strategic Military Communications and MilitaryOneClick, an online resource and social media community for millions of military and veteran families. She will support Crosby clients including the Department of Defense's Military OneSource program, Department of Veterans Affairs, and DAV (Disabled American Veterans).

Dix & Eaton has named **P. Kelly Tompkins** senior advisor. Tompkins was formerly executive vice president and COO at Cleveland-Cliffs Inc., and before that was executive VP and CFO at RPM International. "It is a tremendous benefit to our firm and our clients to have access to Kelly's expertise with shareholder activism, major corporate transactions, management turnover, strategic review and reset, and sustainability," said Dix & Eaton CEO Chas Withers.



P. Kelly Tompkins

Ferrero, global confectionary giant, has brought on **Cheryll Forsatz** in as VP, PR and corporate communications. Forsatz joins Ferrero from Ketchum, where she was a senior VP with responsibility for the agency's external communications. Before that, she was director of communications for McDonald's New York Metro Region. At Ferrero, she will lead PR and corporate communications plans and strategies for its product portfolio as well as for the Ferrero corporate brand.

COMMENTARY

STARBUCKS SURRENDERS THE STORE

Public relations professionals, college professors and social justice advocates of every stripe have universally commended the management of Starbucks for its fast and decisive action after two African Americans were arrested at a store in Philadelphia.

Starbucks' spur-of-the-moment decision to acquiesce to mob demands may backfire on the company, its employees and shareholders.

First, a review of the situation. Two 23-year-old African-American men at Starbucks, waiting for another man to discuss "real estate opportunities," asked to use the restroom.

The store manager replied that restrooms were for paying customers only, and if the men bought something — perhaps a cup of coffee — they could use the facilities. The men refused and sat down at a table.

Shortly thereafter, the manager called the cops, who arrived, handcuffed the men and led them out of the store.

The immediate condemnation of the incident by Starbucks new CEO Kevin Johnson was the right thing to do. The arrest of the African-American men was wrong. Handcuffing them was even worse.

But when Johnson and Starbucks founder Howard Schultz rushed to blame the entire thing on the company in general and the Philadelphia store manager in particular, they set the company up for a PR disaster.

Since the Starbucks CEO was so quick to assume blame, most observers followed suit and blamed the company rather than the real culprits, the Philadelphia police.

Starbucks abandoned its employees instead of facing up to its management policy failure



The only casualty in the crisis — beyond Starbucks' reputation — was the manager of the store who sought police assistance. The poor woman who made the decision, according to Starbucks, "no longer works at the company."

As BlackLivesMatter activists and #Boycott Starbucks hashtaggers gathered momentum from the sudden crisis, Starbucks' management panicked.

To stem the onslaught, the company announced a national day of racial training for all 8,000 Starbucks stores across the U.S.

While most acknowledged that one day of sensitivity training likely wouldn't do much to leave a lasting impression on anybody, the real tragedy of the one-day closing was perpetrated on Starbucks' shareholders.

The cost of the transparent Hail Mary publicity attempt in lost Starbucks' revenues: \$12 million.

The message to investors contemplating an investment in such a weak-backed company: beware.

While CEO Johnson's well-meaning attempts to smooth the situation were costly enough, the company's do-gooding founder Howard Schultz delivered the final counterproductive coup de grace.

These two men, Schultz told CBS, deserved to be listened to. He vowed that Starbucks would try to work with them, perhaps on real estate opportunities or even as company franchisees.

In other words, because law enforcement screwed up after a Starbucks manager sought help in reconciling confusing management policy, Schultz was opening the company's coffers to anybody with a similar grievance.

Once the universal admiration dies down, Starbucks' knee-jerk, public relations response to its racial crisis will likely be assessed for what it was: a failure for employees, stockholders and the company. —*Fraser P. Seitel*

AGEISM BITES WORKERS AND BUSINESSES

The usual ageism narrative focuses on the workforce. What's hammered is the growing body of research about how age bias negativity influences the hiring, promoting, and terminating of workers.

The statistics have become familiar. For instance, AARP, which represents aging Americans, made it known that age discrimination can begin at age 35. Money advisor Motley Fool noted that it can take the unemployed over-55 about nine weeks longer to land work than those younger.

However, the ageism story that's less familiar is the whiplash effect on employers. They assume they have to practice ageism to survive and scale. But, that assumption is wrong. Ageism is turning out to be counterproductive.

Every aspect of the business is being hurt. On the list are decline in profits because of lawsuits and reduced sales, and damage to the brand.

Sales are in play. Millennials observe their aging parents being kicked to the curb. They can and do push back by boycotting that company.

In addition, ageism has become a diversity issue. It is joining race, ethnic origins, disabilities, sexual orientation, and gender in being reviewed for no-bias in treatment.

Another development which makes ageism a matter business has to re-think is what's known as "boomeranging." At one time, after employees left an organization, that door was forever closed. More recently, with the rapid shifts in how business is conducted, it's in the organization's self-interest to recruit those who had proven they have the experience and skills needed at that time.

Taking on ageism could become as influential as #MeToo. The tipping point could be a massive push-back by young workers as they experience age bias sucking the soul out of their parents and superiors at work. No fools, they also get that they could be next. —*Jane Genova*