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O'Dwyer's Newsletter

The Inside News of
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PRIME POLICY GROUP SPEAKS FOR 'DREAMERS'

Prime Policy Group is working with the American Immigration Council as it seeks a bipartisan legislation alternative to President Trump's decision to kill the Deferred Action for Childhood Arrivals immigration status, which covers nearly 800,000 people, in March.

Beth Werlin, executive director of the Council, said the White House's move on DACA ignores "our American identity of being a nation of immigrants" and fails "to embrace the energy, innovation and opportunities that immigrants bring to our country."


Beth Werlin

The Council is pushing for a "clear and permanent path forward" for the Dreamers. "We must not squander the potential of this generation of young people who will write the next great chapter of American history," said Werlin in a recent statement.

PPG, which is part of Burson-Marsteller, also reps the Council on the "temporary protected status program," which provides immigration status to people living in countries that experienced armed conflict and environmental disasters.

Trump this month ended TPS for 200,000 people from El Salvador. The Council criticized Trump's move as a "tragic decision" for people "who have lived here, paid taxes and registered with the government for nearly 20 years."

PPG Chairman Charlie Black, former aide to Ronald Reagan/George Bush I and Republican National Committee spokesperson, leads his firm's five-member lobbying team.

FINN PARTNERS ACQUIRES BRIGHTER GROUP

Finn Partners announced Jan. 8 that it has acquired London-based travel and tourism firm Brighter Group.

Financial terms of the acquisition, which is effective immediately, were not publicly disclosed.


The Brighter Group's Debbie Flynn with Finn Partners founding partner Peter Finn.

One of the UK's largest independent travel and tourism PR firms, the Brighter Group represents clients across the travel sector and also provides crisis, media training and

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DC AIRPORTS AUTHORITY FLIES OUT PR RFP

The Metropolitan Washington Airports Authority is looking for strategic communications work to "build, expand, enhance and strengthen" its reputation for "institutional integrity and for providing a high level of world-class transportation service."

The Authority maintains Washington Dulles International Airport, Ronald Reagan Washington National Airport, Dulles Access Road and Dulles Toll Road. It also is overseeing construction of the Silver Line Metrorail extension to Dulles and points west.

The Authority, according to its RFP, wants counsel on how to reach targeted audiences, themes designed to bolster awareness of its mission/accomplishments and importance to the regional economy, media training, marketing support and preparation for hearings and "high-visibility or high-risk public discourse."

The PR firm is required to provide regular reporting of planning/supported actions as well as earned results.

Donald Laffert is contracting officer for solicitation 1-18-CO42. Responses are due Jan. 18.

SMITH BOLSTERS APCO WEST COAST OPS

Tim Smith, who was executive VP at **Edelman**, has joined **APCO Worldwide** as managing director in Seattle to spearhead the DC-based firm's West Coast push.

He joined Edelman's Seattle office in 2009 and rose to lead its corporate and PA practice.

Prior to work at the No. 1 independent firm, Smith held the senior VP slot at Waggener Edstrom Worldwide, where he led the technology-oriented shop's PA, issues management, crisis and CSR offerings.


Tim Smith

Smith has a wealth of overseas corporate experience gained from stints at Japan Tobacco International (VP-global affairs & communications in Moscow and Geneva) and RJ Reynolds (senior director-corporate affairs in Moscow).

He also worked as a commercial officer for the State Dept. with postings in Russia (Moscow and Vladivostok) and Uzbekistan (Tashkent).

In announcing Smith's hiring, Nelson Fernandez, North America chair, said his ability to "navigate reputational challenges, corporate communications crises and complex geopolitical issues" is at the core of APCO's mission.

FINN PARTNERS ACQUIRES BRIGHTER GROUP

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event production offerings.

The agency, which staffs 22, was founded in 1995 by CEO Debbie Flynn. Clients include Belize, Dubai, Intrepid Travel, Jordan, Air Europa and South African Tourism.

In light of the acquisition, the agency will now be known as The Brighter Group, a Finn Partners Company, and will physically move its operations into FP's existing London offices.

Flynn takes the position of managing partner and reports to Chantal Bowman-Boyles, who leads Finn Partners Europe, and Gail Moaney, who heads FP's travel practice. Brighter Group chairman Steve Dunne becomes senior partner of strategy and non-executive director Fiona Jeffery takes the role of Finn Partners global tourism advisor.

No other staff changes were reported.

Finn Partners founding partner Peter Finn told *O'Dwyer's* that the acquisition bolsters the global independent agency's tourism practice, which continues to be a high-growth area, while simultaneously providing an opportunity to extend its US-based tourism practice into London.

"The move means we'll be able to offer support in EMEA to our existing client base composed of world-class destinations, global airline and hotel brands, and travel services companies," Finn told *O'Dwyer's*. "The acquisition is also another important step in our overall growth in Europe, as my vision is for Finn to become one of the world's top three independent marketing and communications firms with offices on every major continent."

Global M&A advisor SI Partners advised Brighter Group in the deal.

KETCHUM TOUTS TURKEY

Ketchum is handling media relations in the US and promoting Turkey as a desirable place for business investment, on behalf of the Turkish Exporters' Assembly.

The Omnicom unit also will arrange meetings and interviews with academics, authors and business leaders with TEA representatives focusing on Turkey.

Relations between the US and Turkey have been fraught with tension following the April beating of protestors in Washington by bodyguards of Turkish strongman Recep Tayyip Erdogan, and US support for Syrian Kurdish forces that Erdogan considers terrorists.

TİM TURKISH EXPORTERS ASSEMBLY

The US and Turkey had tightened visa requirements, but both sides dropped those restrictions at the end of 2017.

TEA chairman Mehmet Büyükekşi projects a record year for Turkish exports in 2018, buoyed by growth in international trade and favorable policies advocated by Erdogan.

The European Union, led by Germany, UK and Italy, accounted for nearly half of Turkey's exports in 2017.

The automotive, machinery, jewelry, defense/aviation and fruits/vegetables sectors paced exports.

THE DEVIL AND MS. BARRY

By Eric Starkman, Founder, Starkman PR

I've never met Anna Wintour, Condé Nast's artistic director and longtime editor of Vogue, but the title of a book based on the fashionista, "**The Devil Wears Prada**," captures how she's uniformly portrayed. Wintour's management style might charitably be described as "demanding," but it also underscores a double standard in today's political climate. An abusive 60-something male executive known for **hiring only attractive young female assistants**, routinely making judgments about their clothing, and **asking them about their personal lives in job interviews** would be severely reprimanded, if not fired.

Wintour displayed her legendary insensitivity last week in announcing that she's named Samantha Barry, CNN Worldwide's executive producer for social and emerging media, as editor-in-chief of *Glamour*. Barry, 36, has no background in magazine publishing, but Wintour diminished the skill-set of Condé Nast's legacy editors. "Sam is Glamour's first digital-native editor, which is to say she arrives from the future rather than the past," **Wintour said in a statement**. Hopefully, Condé Nast's print editors can read the writing on the wall as well as on glossy paper.

Condé Nast isn't the first publishing company to hail a supposed digital expert as a surefire savior for the declining magazine industry. Time Warner seven years ago announced with great fanfare that it had hired Laura Lang, CEO of the ad firm Digitas, to oversee its magazine publishing division. "(Lang) is the right person to lead the company as it aggressively evolves its businesses during a time of great change and opportunity in publishing," Time Warner **CEO Jeff Bewkes declared**.

How did that turn out? Lang was gone after two years on the job, and Time Warner had to **pay her nearly $16 million** to make her go away. According to my back-of-the-envelope calculations, that severance could cover the salaries of dozens of the nation's best and most experienced reporters for several years. Under Lang's watch, Time Warner's magazines went into a tailspin from which they never recovered. The business was recently sold to The Meredith Corp.

Perhaps Barry is indeed a digital wunderkind, but you wouldn't know it reading her ***New York Times* profile**. The Ireland native communicates in digitalspeak and sounds more like a **Bain & Company media consultant** than a journalist. Social media is supposedly all about storytelling, and Barry said her heritage makes her uniquely qualified. "Irish people are such storytellers," she said. Her lack of journalism experience isn't an issue. "At the end of the day, I bring to the table being an expert in content."

Another valued skill is her "ability to pivot." And, of course, she appreciates that Glamour is much more than a print publication. "Glamour is a brand — it's not just a magazine." You get the picture.

For what it's worth, I don't associate CNN with deft brand management. Millions of Americans, including President Trump, associate the network with "fake news" and "**obnoxious anchors**."

Ironically, Barry's appointment came a few days after veteran publishing executive David Carey expressed skep-

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THE DEVIL AND MS. BARRY
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ticism that digital is the future of the magazine industry. "We reject this notion of 'digital first' because we think that denigrates the core business, Carey, the president of Hearst Magazines, **told Recode**. "We think there is a lot to be made in the print business."

Perhaps Carey is a publishing dinosaur like most of Wintour's editorial subordinates. But the jury is still out on digital publications. **It's far from certain** that engaging masses of people with compelling journalism such as an **exploding watermelon** is the pathway to profitability. Indeed, Carey predicted that digital media companies are headed for a crash, so Condé Nast likely won't have any problem attracting other great storytellers to work alongside Barry.

As for Wintour, she'd best hope that the accelerating trend to eradicate abusive executives from corporate America never becomes an equal opportunity movement.

GLOVER LEADS BIG MAC'S ATTACK ON DC

McDonald's has hired Glover Park Group to lead its government relations and PA push in Washington.

GPG, which is part of WPP, will focus on issues such as agriculture, food, nutrition and sustainability.

McDonald's kicked off its beef sustainability program in 2014, forming the industry's groundbreaking "Global Roundtable for Sustainable Beef" with World Wildlife Fund and suppliers JBS and Cargill.


Grant Leslie

In 2016, the fast-feeder focused on coffee sourcing, committing to buying 100 percent of its coffee from sustainable sources by 2020.

GPG's Grant Leslie (aide to former Democratic Leader Tom Daschle and Agriculture Secretary Tom Vilsack) handles the McDonald's account with Joel Leftwich (ex-majority staff director on the Senate Committee on Agriculture, Nutrition & Forestry and Congressional liaison at Agriculture Dept.).

GCI'S ENGEL TO ENERGI PR

Stephanie Engel, senior VP-consumer at GCI Canada, has shifted to energi PR as senior VP-client services to focus on mentorship, career development and integrating the shop's social media and emerging communications platforms.

With more than 20 years of PR experience, Engel has counseled Johnson & Johnson, Wal-Mart, Nestle, LG Electronics and Coca-Cola.


Stephanie Engel

Prior to GCI, Engel was Ampex PR VP, Maverick PR VP-consumer marketing, Astra Zeneca therapeutic area PR manager and **Weber Shandwick** senior consultant.

Toronto-based Energi is the strategic health and consumer wellness communications shop that was founded by Carol Levin and Esther Buchsbaum. It has served clients such as Ford, Hilton, Roche, Avon, Samsung and Pfizer.

CITI COMMITS TO GENDER PAY EQUITY

Arjuna Capital has withdrawn its shareholder proposal on gender pay equity slated for Citigroup's proxy statement following news that the banking giant is committed to closing the pay gap for women and US minorities.

Filed Nov. 13, 2017, Arjuna's resolution called for a report, "omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap."

The Boston-based investment firm pulled the resolution following a blog post by Citi's Michael Murray, head of human resources, disclosing results from an internal study of US, Germany and UK operations that found women are paid 99 percent of what men earn and minorities are paid 99 percent of what non-minorities are paid.

Murray wrote that as part of the 2018 compensation cycle, Citi will make the appropriate pay hikes to close the gaps for women and US minorities and will continue to review compensation for pay equity.

Natasha Lamb, managing partner of Arjuna, sent a letter today to Rohan Weerasinghe, Citi's general counsel and corporate secretary, commending the bank for taking the steps "toward creating an inclusive and diverse culture and workplace."

Arjuna views Citi's announcement as a breakthrough announcement on gender pay equity since financial giants BankAmerica, American Express, MasterCard, JPMorgan and Wells Fargo rejected pay gap proposals at their 2017 annual meetings.

Hastings Group represents Arjuna.

COCA-COLA SLAPS MCKINSEY FOR SA WORK

Coca-Cola South Africa has suspended relations with McKinsey, the world's biggest management consultant, due to its recent ties to an associate of the controversial Gupta family.

Coke and its bottling company say they will not work with McKinsey "until external investigations into political corruption are completed," according to *The Financial Times*.

The FT calls Coke's decision is a "significant blow" to McKinsey, which it reports "has struggled to draw a line under its reputational blow in South Africa."

The management consultant has apologized for making "several errors of judgement" in its work with Trillian Capital.

The Gupta family has been accused of using its ties to South Africa president Jacob Zuma to influence state contracts. The Guptas and Zuma have denied the allegations.

Sasol, the South African energy giant, also has decided not to give future work to McKinsey due to the Gupta allegations.

UK-based Bell Pottinger imploded after it was charged with running a racist PR campaign in South Africa on behalf of the Guptas.

WHEN 'COLD FEET SYNDROME' STOPS SALE

By Rich Jachetti, Senior Partner at The Stevens Group

With the winter season upon us, there's perhaps no better time to examine the mysterious phenomenon of what we refer to as "Cold Feet Syndrome," a sometimes puzzling set of circumstances that cause a surprising number of PR agency CEOs to back out of a previously-agreed-to sale of their firm to a buyer agency at the eleventh hour.

As experienced advisors in mergers and acquisitions within the public relations and digital marketing industries for more than a decade now, we've repeatedly witnessed CEOs of seller firms spend months in negotiation with a buyer agency, eventually agreeing in principle to the terms of the deal, and then suddenly having a change of heart at the last minute for reasons that leave the buyer, my partner Art Stevens and me shaking our heads in disbelief. And no effort by us or the buyer to make things right can affect the outcome of the deal.

Here are just two examples from our annals:

After several months of good-faith negotiations between buyer and seller, the buyer firm's attorney prepared a requisite contract containing the standard at-will employment provision that the seller could be dismissed "without cause" at any time. The buyer didn't catch the clause, and because the document was hastily sent directly by the buyer to the seller — effectively bypassing The Stevens Group — we were precluded from objecting to what literally turned out to be the deal's "death sentence." Upon receiving the document, the seller became irate and called the buyer to complain. The buyer apologized and immediately offered to have the contract revised, but it was too late: The seller felt duped, lost trust in the seller and walked away from the deal.

After extended negotiations between buyer and seller, it was mutually understood that upon consummation of the transaction, the seller would become an employee of the buyer's firm, reporting directly to the person at the buyer agency with whom the seller had been dealing almost exclusively up to that point. However, just prior to the sale's closing, the buyer's finance director interposed, requesting clarification on several matters uncovered during due diligence. He also informed the seller that the seller's firm would be subject to ongoing financial performance reviews. The seller was deeply offended at what was actually the buying firm's standard operating procedure for all acquisitions, and chose to walk away entirely from an excellent deal, rather than simply talk to her boss-to-be, whom she trusted.

Rational and irrational thinking

Why would otherwise savvy businesspeople abruptly terminate a deal they had been working on with a buyer for months over apparently simple misunderstandings without even affording the buyer an opportunity to make amends? After all, lovers of Francis Ford Coppola's "The Godfather" are more than aware of the film's oft-used adage: "It's not personal. It's strictly business."

To understand more about the thought processes behind a seller's perplexing actions in these situations, I spoke with David Popple, PhD, President and Founder of Psynet Group, an international consultancy that advises clients on issues involving human resources and corporate psychology. His two decades of work in the areas of critical and strategic thinking have frequently been applied to the mediation of workplace disputes at the executive level.

"This 'cold feet syndrome' is essentially a three-step process," explained Dr. Popple. "First, the seller rationally evaluates the merits of the deal. Then something causes the seller to experience an intensely negative emotional reaction, spurring irrational thought. Lastly, the seller rationalizes that emotional reaction by withdrawing from the situation entirely."

Suddenly, the seller has gotten a case of cold feet, and the buyer may never even receive a proper explanation for it. Rather, the buyer's e-mails don't receive replies. Repeated phone calls are not returned.

'Mini-death' fear factor

The average owner of a small- to-mid-sized PR firm has been running their built-from-scratch company for several years by the time they seriously consider selling it. By that point, according to Dr. Popple, the business has essentially become a physical extension of its owner. "The prospect of surrendering the entity to an outside buyer induces trepidation," he said.

"It's almost like a personal 'mini-death,'" added Dr. Popple. "The seller becomes convinced that should the deal happen, they're going to lose a part of themselves."

The seller may also feel they'll resent having to take orders from a new boss or they'll experience anxiety at seeing their clients handled differently within the buyer's firm. Hence, the decision not to complete the transaction becomes an avoidance behavior for the seller — even despite the lures of healthy sale proceeds, generous earn-out bonuses and an improved work-life balance.

And while the business world is full of failed mergers, cold feet syndrome may be more common in the PR industry than in other business segments.

"PR firm owners are a unique breed," said Dr. Popple. "These are highly entrepreneurial people who spend every day carefully managing their clients' images and branding. Therefore, it's no surprise that the seller of a PR firm may undergo their own personal identity crisis, especially when they're on the verge of potentially giving up the reins of their firm to someone else."

Don't go it alone

Not every merger or acquisition in the PR industry falls apart at the last minute. The vast majority of transactions proceed relatively smoothly due to strong relationships and close coordination between buyers, sellers, and their respective financial and legal advisors. However, if one of the parties is going to get cold feet at the last minute, it's almost always going to be the seller, not the buyer. Simply knowing that this phenomenon exists can help sellers to better manage the emotional rollercoaster that invariably precedes the sale of their PR firm.

Emotions can occasionally get the best of us, even when we know that we shouldn't let these factors taint our decision-making. Remember: "It's not personal. It's strictly business." That's why it's critical for a PR firm owner considering the sale of their practice to have objective counsel at their side throughout the entire sales process.

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