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O'Dwyer's Newsletter



**The Inside News of
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HUNTSWORTH REVENUES GROW 9% IN '17

Huntsworth reported 2017 revenues grew nine percent to \$264M while pretax profit surged 52 percent to \$36.7M.

CEO Paul Taaffe said the robust performance of the healthcare segment drove overall growth during the past year.

Huntsworth restructured healthcare, which generated 61 percent of overall revenues, into three divisions: medical, marketing and immersive.

The goal of the revamp is to provide investors a better understanding of Huntsworth's priorities and healthcare clients an easier access to multiple service offerings.

The remaining non-healthcare unit is the communications division composed of Grayling, Red and Citigate Dewe Rogerson PR/IR units. Revenues for the communications offering slipped 6.5 percent to 107.9M.

Though Huntsworth is primarily focused on healthcare, Taaffe said communications "remains an important part of the group."

He said the communications unit, which in 2017 marked the return of Grayling to the black ink column, charted "further good progress in reorganizing and right-sizing elements of the offering, leaving the division in a better position to compete and increase profitability."



Paul Taaffe

SAN DIEGO PD FLOATS PR RFP

The San Diego Police Dept. is looking for a branding and marketing partner to lure recruits to its shrinking ranks.

San Diego Reader reports the 1787-member police force, with 259 vacancies, is at its lowest level since 2016.

The RFP calls for "branding and consistent messaging that can be utilized across all marketing media and communication delivery methods."

Work will include social media, media outreach, special events and development of a slogan or tagline that "captures the mission and goals of the police department," according to the March 6 SDR.

The two-year program calls for a budget not to exceed \$350K. There is an option for three additional years.

SDR considers the RFP a sign that Mayor Kevin Faulconer, a one-time executive at NCG Porter Novelli, has "hit the panic button." It reports the mayor is dealing with a series of crises including a "downtown homeless scourge and its follow-on hepatitis A epidemic."



FINN PARTNERS SEES RED

Finn Partners has rebranded, using the color red as its main focus and meant to signify the sense of power, strength, determination and energy of the independent firm.

Launched internally on Valentine's Day, the redesign features a revamped website (www.finnpartners.com) that allows easy access to the firm's blog, data research projects, video, webinars and examples of its work.

Peter Finn said his shop has grown rapidly during the past five years to more than 600 staffers in 16 offices in North America, Europe and Asia.

That growth and broadened scope of service offerings inspired the re-branding and new tagline, "Out With the Old, In With the Wow."

As the distinction between PR, advertising, design and marketing technology muddies, the rebranding highlights Finn Partners' ability to deliver top-notch creativity and services in every area.

Finn Partners wants clients to view it as an instigator, integrated, industrious and indispensable.



Peter Finn

DOLLAR GENERAL NABS ETSY'S BEUGELMANS

Dollar General has hired Jennifer Beugelmans, who was VP-IR at Etsy Inc., for the VP-IR and PR position.

She also will handle corporate communications and community initiatives for the Goodlettsville, TN-based retailer with more than 14,300 stores in 44 states.

Beugelmans is credited with building the IR team that supported the 2015 initial public offering of the Dumbo, Brooklyn-based global commerce marketplace.

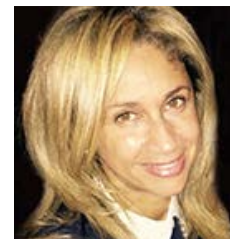
During her more than 20-year communications career, Beugelmans held posts at Joele Frank, Pure Communications and EVC Group.

Dollar General reported third-quarter (ended Nov. 3) revenues rose a robust 11 percent to \$5.9B. The performance was sparked in part by hurricane-related sales.

Net income advanced 4.2 percent to \$252.5M.

Dollar General's 52-week stock trading range is \$105.82, \$65.97.

Etsy's stock hit a \$27.40 high on March 8 and traded as low as \$9.40 during the past year.



**Jennifer
Beugelmans**

BRZEZINSKI WINS NYWICI'S MATRIX AWARD

The New York Women in Communications has announced the recipients of the 2018 Matrix Awards. The awards, which have been given out annually since 1970, honor the accomplishments and contributions of women in the communications industry.

The 2018 honorees are Mika Brzezinski, co-host of MSNBC's "Morning Joe" and the founder of Know Your Value, an organization devoted to helping women from all career and life stages reach their maximum potential; Kim Kelleher, chief business officer at GQ, Golf Digest, Pitchfork, WIRED and Ars Technica; Betsy Kenny Lack, head of global brand strategy at Snap Inc.; Dia Simms, president at Combs Enterprises; Alexandra Trower, executive VP, global communications for Estée Lauder and Shelley Zalis, CEO, The Female Quotient.



Mika Brzezinski

NYWICI is also introducing the Matrix Incite Award, which recognizes recipients "for their ability to incite change through writing and reporting." The initial recipients will be New York Times reporters Jodi Kantor, Emily Steel, and Megan Twohey. Kantor and Twohey collaborated on the paper's investigative series examining Harvey Weinstein's history of alleged sexual harassment and rape. Steel's reporting brought to light a series of settlements related to sexual harassment allegations against former Fox News host Bill O'Reilly as well as four settlements made by Vice News over charges of sexual misconduct at the company.

The Matrix and Matrix Incite awards will be presented at the Sheraton New York Times Square on April 23, during a ceremony to be emceed by "Today" co-anchor Savannah Guthrie. For more information, or to order tickets for the event, go to the [NYWICI website](#).

GIRLS INC. UNVEILS RFP TO PROMOTE GALA

Girls Inc. of New York City, a group that educates and empowers low-income, at-risk girls, is floating an RFP for PR services to support its annual spring gala luncheon in May.

The May 10 festivities will mark the 20th anniversary of Girls Inc. NYC and is expected to attract thought leaders from the corporate, non-profit and philanthropic communities, as well as representatives from the fashion, art, finance and media worlds.

The event will honor Michelle Smith, co-founder and creative director of MILLY. She designed the dress that Michelle Obama wore for her official portrait that hangs in the Smithsonian Institute.

The RFP covers planning, coordination, implementation of the gala and media outreach to promote the mission of Girls Inc. of NYC.

Proposals are due March 16.

They go to Sheavonne Harris at sharris@girlsinc-nyc.org.



NEWSPAPERS SEEK ANTITRUST EXEMPTION

Congressman David Cicilline introduced the Journalism Competition and Preservation Act on March 7 to exempt publishers from antitrust laws so they can negotiate collectively with tech platforms (Facebook, Google) over the terms regarding distribution of their content.

The Rhode Island Democrat said his bill would "ensure consumers have access to the best journalism possible."

He noted that Facebook and Google control about 75 percent of the US digital advertising market.

If passed into law, Cicilline said his bill would "address the imbalance in the marketplace brought on by the platforms' dominance and help trusted news publishers protect themselves and their readers."

His bill would provide a 48-month window for newspaper companies to iron out terms for the flow of subscription and ad dollars back to publishers.

The National Newspaper Assn., American Society of News Editors and National Media Alliance are among groups to back Cicilline's measure.

David Chavern, CEO of the NMA, commended the Congressman for "his commitment to ensure fair competition with the platforms and for his work to preserve quality journalism."



David Cicilline

HOFFMAN CHECKS IN AT ACCENTURE

Robert Hoffman, who has nearly 30 years of public policy experience, signed on at Accenture March 5 as managing director of North America government relations.

He joins the professional services giant from Invariant, where he led the government relations firm's technology roster of hardware, software and services clients.

Earlier, Hoffman served as VP-government affairs at Motorola Solutions, VP-government relations at the Information Technology Industry Council, VP-global public policy at Cognizant Technology Solutions and VP-government/PA at Oracle.

Hoffman was co-chair of Corporate America, a coalition of businesses and trade groups pushing for reforms of the US visa system for highly skilled professionals.

He's been a frequent advocate for the tech sector, appearing on CNN, NPR, CNBC and in the *Wall Street Journal*.

Hoffman has political experience gained via stints in the offices of former Republican Senators Mike DeWine (OH) and Larry Pressler (SD) and California Governor Pete Wilson.

At Accenture, Hoffman reports to Chad Jerdee, general counsel and chief compliance officer.



Robert Hoffman

KREPS DEMARIA ACQUIRES BTW AGENCY

Kreps DeMaria Public Relations & Marketing has acquired Miami-based digital strategy consultancy BTW Agency.

Financial terms of the acquisition were not announced.

BTW was founded in 2015 by partners Jordan Howard and Allan Yacaman. The digital strategy agency, whose offices had been entirely virtual, specialized in marketing, social media consulting, native advertising and creative services.



KD has launched a new digital division in light of the acquisition, titled KD Digital, which will focus on image development and lead generation while complementing the agency's in-house social media division, KD Social, and its graphic design unit, KD Creative. Capabilities will also include website development, digital content creation and SEO services. Howard and Yacaman will lead that operation.

“With the fragmentation of media and hence, the PR business, we think it’s critical to serve clients with a one stop shop approach to service all of their public relations and marketing needs,” KD president Sissy DeMaria-Koehne told O’Dwyer’s.

Koehne told O’Dwyer’s that the agency is additionally unveiling a new influencer marketing division, titled KD Lifestyle.

“It is not just the digital side of the business that is evolving, but today experiential event marketing is a key component of the PR matrix,” DeMaria-Koehne told O’Dwyer’s. “Today’s celebrities are social media stars, not Oscar contenders.”

Coral Gables, FL-based Kreps DeMaria maintains a second office in New York.

EX-REP. ACKERMAN JOINS GOTHAM

Former New York City Congressman Gary Ackerman is now a partner at Gotham Government Relations in Garden City.

Brad Gerstman, Gotham’s founding partner, called Ackerman a “household name in the world of policy-making and advocacy” who brings a deep knowledge of international and domestic affairs to the firm.

First elected in 1983, Ackerman, 75, retired from his post in 2013.

As chairman of the Asia subcommittee during the 1990s, the Congressman traveled to North Korea to discuss nuclear non-proliferation.

He made history during that visit by being the first person since the Korean War to cross the demilitarized zone upon his return to South Korea.

Ackerman, who joined Gotham last month, was a Congressional delegate to the United Nations and member of the Cuba Democracy Caucus.

He currently is executive of the International Council of Jewish Parliamentarians.



Gary Ackerman

BAHRAIN RETAINS SONORAN POLICY GROUP

The Kingdom of Bahrain has retained Sonoran Policy Group, a DC-based firm with close ties to the Trump White House, to facilitate meetings and interactions with US policymakers.

The one-year agreement, which went into effect Feb. 26, also calls on SPG to “perform additional duties on an agreed-upon basis.”

The firm will receive \$500K in fees over the next year.

Sunni-led Bahrain, a frequent target of human rights officials, has been cracking down on dissent from its Shiite majority population since 2016.

The government on March 3 said security forces rounded up 116 members of an armed network backed by Iran’s Revolutionary Guard that was plotting to overthrow the government.

Bahrain, which is a close ally of Saudi Arabia, is part of the blockade imposed on Qatar for its alleged ties with Iran, a Shiite majority nation.



GOOGLE ASKS FOR CHECK FOR ZAGAT

Google is selling restaurant recommendation company Zagat to The Infatuation, a nine-year-old company that is also in the business of writing and publishing recommendations of bars and restaurants. The parties to the deal did not disclose the amount being paid for Zagat.

Google paid \$151 million for Zagat in 2011, with the intention of making the company into a competitor with such restaurant-review sites as Yelp. But Google gradually started emphasizing its own data-based findings over the user reviews that are Zagat’s stock in trade.

The Infatuation was founded in 2009 by former Atlantic Records VP, marketing Chris Stang and Andrew Steinthal, who was previously VP of PR/Media at Warner Bros. Records. It reviews restaurants in such U.S. cities as New York, San Francisco and Los Angeles as well as international locations including Melbourne, Australia and Cape Town, South Africa. The company says it reaches over three million people per month, and became profitable last year.

The company’s services incorporate smartphone apps, an Instagram hashtag and a texting recommendation service.

The Infatuation intends for Zagat to remain a separate brand, serving as a user-generated-content companion to the site’s existing content, which is produced by a staff of writers.

“Iconic brands don’t become available very often, and Zagat is about as iconic as it gets,” said Stang. “It is the perfect complement to what we have been building at The Infatuation.”



P&G THREATENS AD/PR CONGLOMS

Thanks Procter & Gamble.

Shares of WPP, Interpublic and Omnicom tumbled following P&G brand chief Marc Pritchard's vow "to take back control" of marketing from agencies in order to save \$2B in spending.



His May 6 speech at a London ad conference begs the question, Why did P&G give up control in the first place?

The P&G executive admitted that the consumer products giant had been clueless about getting the biggest bang for its marketing dollar.

How on earth could P&G have allowed its agency roster to swell to 6,000 members? That's a

recipe for waste.

Pritchard told the Financial Times the Cincinnati-headquartered company has trimmed that bloat to 2,500 agencies and is committed to halving that hoard. Bravo!

Agency and commercial spending at P&G dropped \$750M during the past three years and Pritchard plans to up that number to \$1.2B by 2021.

As paymaster, Pritchard has every right to demand that agencies reorganize themselves.

WPP boss Martin Sorrell put those wheels in motion last week by merging Burson-Marsteller and Cohn & Wolfe. Pritchard didn't seem overly impressed, saying it remains to be seen if WPP's moves will be enough.

As the world's biggest advertiser, P&G deserves some blame for inefficiencies at agencies. It set the pace. Again, P&G once used 6,000 shops. The agencies were just following the lead of their paymaster.

Wall Street took a run at P&G last year. Corporate activist Nelson Peltz, with help from Sard Verbinnen & Co., launched a proxy fight with P&G.

Peltz's Trian Fund Management rapped P&G for disappointing financial results including weak shareholder returns, deteriorating market share and excessive costs/bureaucracy.

P&G narrowly beat back Peltz.

Pritchard may be able to browbeat ad agencies into submission, but Peltz or another corporate raider may get the last laugh in the next run at P&G. People for the Ethical Treatment of Animals has enlisted former Congressman Joe Heck (R-NV) to lobby in support of the Best Practices Act, which phases out the use of animals in live combat trauma training over a five-year period.

PETA TAPS HECK IN ANIMAL TESTING PUSH

People for the Ethical Treatment of Animals has enlisted former Congressman Joe Heck (R-NV) to lobby in support of the Best Practices Act, which phases out the

use of animals in live combat trauma training over a five-year period.

Heck, a physician and retired Army Reserve brigadier general, lost to Democrat Catherine Cortez in the 2016 race for Harry Reid's Senate seat. The Reserves last deployed Heck in 2008 when he commanded a emergency room in a combat hospital outside Baghdad.



Joe Heck

Heck launched RedRock Government Relations, as part of Las Vegas-based RedRock Strategies, a year ago.

WEB ACCESS GROWS MORE MOBILE

Georgia Congressman Hank Johnson (D), Pennsylvania Representative Tom Marino (R) and Oregon Senator Ron Wyden (D) are pushing the Best Practice Act to require the military to replace animals with medical technology to trauma courses.

They contend artificial simulators better mimic human anatomy than animals, provide superior training, save taxpayer money and are more humane.

About 16 percent of all U.S. Internet users — or nearly 45 million people — will access the web exclusively via a mobile device this year, with mobile-only audiences expected to reach 55.7 million — or 17.2 percent of the entire U.S. population — by 2022, according to recent Internet user figures released by digital market research company eMarketer.



About 83 percent of U.S. Internet users now use mobile devices to go online, according to eMarketer's report, though desktops and laptops still maintain a slight lead, as 84 percent of Internet users are expected to access the web this year via a desktop and laptop computer.

The report mentions that smartphone adoption has now actually slowed in the U.S., as most Americans who want a mobile device already own one, and as a result, mobile growth is now expected to be less than two percent this year.

The one demographic where mobile adoption will see growth consists of seniors ages 65 and older, who are expected to be responsible for double-digit gains in smartphone use this year.

eMarketer estimates that about 85 percent of the entire U.S. population — or nearly 280 million people — will go online at least once a month this year.