



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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MEXICO TAPS FTI FOR NAFTA TALKS

Mexico is using FTI Consulting for PA and strategic communications work related to the North American Free Trade Agreement renegotiation.

President Trump has repeatedly slammed NAFTA, calling it “the worst trade deal ever” and threatening to walk away from the 23-year-old pact in the event that Mexico and Canada refuse to rework the agreement.



Mexico and Canada have rejected proposed American revisions to NAFTA, but have agreed to meet for another round of discussions on Nov. 15.

FTI began work for the Mexican Secretariat of the Economy on Oct. 26. It envisions representation will run through November 2018, or until negotiations either collapse or a revised agreement is ratified.

The firm does not have a formal contract with Mexico for the communications effort that includes a full menu of strategy sessions, speeches, press relations and media relations. It reports to Juan Carlos Baker Pineda, Mexico’s deputy minister for foreign trade.

PODESTA CEO FRITTS EXITS EMBATTLED FIRM

Podesta Group CEO Kimberley Fritts is leaving the embattled DC firm to launch her own shop.

The departure follows the Oct. 30 exit of PG founder and well-connected Democrat Tony Podesta in the wake of special counsel Robert Mueller’s indictment of former Trump campaign manager Paul Manafort and his right-hand man Rick Gates for violating foreign lobbying laws.

PG had worked for European Centre for a Modern Ukraine in a PR push that was organized by Manafort.

The firm maintains it fully disclosed its representation of ECFMU and complied with FARA filing regulations five years ago, within weeks of starting its work. “Any insinuation to the contrary is false,” a spokesperson told *O’Dwyer’s*.



Kimberly Fritts

Fritts was expected to relaunch PG under a new brand, but told staffers yesterday of her plan to leave, according to a report in Politico.

She joined PG in 1995 as a veteran in Republican politics. Fritts had served as southern political director for the Republican National Committee, deputy campaign manager to Florida’s former governor Jeb Bush and political director for former Florida senator Connie Mack.

HLA LAUNCHES RFP FOR WEB WORK

Higher Learning Advocates, a DC non-profit, is looking for an experienced digital/integrated communications shop to create and launch a new website.

It wants a firm experienced in working with non-profit/PA clients in end-to-end website development.

Launched in March, HLA supports a higher education system that is student-centered, equitable and outcomes-based.

Federal policymakers, higher education researchers/analysts and leaders of institutions, think tanks and foundations focused on postsecondary education are HLA’s primary audiences.

HLA seeks a firm to help it “define the online behavior of our target audience and then articulate a clear and effective strategy for launching a new website that will reach that audience,” according to its RFP.



The new website will be user-friendly and capable of featuring a broad range of content including blogs, video, press releases and multimedia reports.

Ted Eismeier at teismeier@higherlearningadvocates.org is handling the search. He wants responses by Nov. 15.

PR MAN KAY BAILS OUT ON LOUIS C.K.

Kovert Creative CEO Lewis Kay bailed out on Louis C.K., who was accused by five different women of sexual misconduct in a *New York Times* blockbuster report on Nov. 9.

He quit via Twitter after C.K. admitted his misbehavior, apologized to the women in the NYT piece and expressed remorse for his actions.

“I also took advantage of the fact that I was widely admired in my and their community,



Lewis Kay



which disabled them from sharing their story and brought hardship to them when they tried because people who look up to me didn’t want to hear it,” he said in a statement. “There is nothing about this that I forgive myself for. And I have to reconcile it with who I am. Which is nothing compared to the task I left them with.

The fallout from the Times article includes a statement from cable TV’s FX Network, home to C.K.’s “Louie.”

It is reviewing any sexual allegations that may have been lodged against C.K. on any of his shows produced over the past eight years.

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PR MAN KAY BAILS OUT OF LOUIS C.K.

(Continued from pg. 1)

HBO cancelled C.K.'s appearance on its "Night of Too Many Stars: America Unites for Autism Programs" set to air Nov. 18, while Orchard film production company dropped plans to release "I Love You, Daddy," a film directed by and starring C.K., that also was to be released this month.

Kay, veteran entertainment and personal branding pro. has worked with talent such as Amy Poehler, Jimmy Kimmel, Sarah Silverman, Tracy Morgan and Jack Black.

Prior to Kovert, Kay was executive VP/COO at PMK/BNC's entertainment division, responsible for talent, TV, film, music, lifestyle and special events.

JOELE FRANK REPS LARGEST TECH DEAL EVER

Joele Frank, Wilkinson Brimmer Katcher is working Broadcom's \$130B offer for semiconductor rival Qualcomm in a deal that, if completed, would create a "one-stop shop for smartphone companies," according to the *Financial Times*.

The \$70 a share cash/stock deal represents a 28 percent premium over Qualcomm's Nov. 2 closing stock price just prior to media speculation about the offer.

Broadcom CEO Hock Tan said the combined company would be a communications leader "positioned to deliver more advanced semiconductor solutions for our global customers and drive enhanced shareholder value."

Qualcomm has acknowledged receipt of the "non-binding, unsolicited proposal" and will assess the offer.

It noted significant opportunities already exist to "drive substantial additional value for its shareholders as its technology and product roadmap move into new industries."

Joele Frank, Steve Frankel and Andi Rose handle media surrounding Broadcom's bid.



Joele Frank

BAR ASSOCIATION ANNOUNCES PR RFP

The National Creditors Bar Association, the trade association representing law firms practicing creditors rights law, is looking for a PR agency that can help boost the group's profile and member ranks by elevating awareness of the association within the credit industry as well as educating targeted audiences to the legal recovery process.

NARCA, which was founded in 1992, represents more than 1,500 attorneys at nearly 560 law firms and creditors rights practices across the U.S., Canada, the U.K. and Puerto Rico.

The project would be slated to commence in Q1 2018. NARCA seeks to retain an agency on a flat-fee total project cost basis.

Submissions should be sent via email to NARCA executive director Mark Dobosz, mark@nara.org.

Proposals are due by 5 p.m. EST on December 1. Deadline for prospective agencies to provide notification of intent to participate is November 15.

[Download the RFP \(PDF\).](#)

EDELMAN, FH. OGILVY TOP EQUALITY RATINGS

Edelman, FleishmanHillard and Ogilvy scored top scores in Human Rights Campaign's ratings of workplaces for lesbian, gay, bisexual, transgender and queer employees.

The survey found that Corporate America is moving ahead with its efforts to become more inclusive.

The **HRC's newly released Corporate Equality Index 2018**

gave 609 businesses its top score of 100—up 18 percent from last year's survey, when 517 companies scored 100. The CEI rates companies and top law firms on detailed criteria falling under five broad categories: non-discrimination policies, employment benefits, demonstrated organizational competency and accountability around LGBTQ diversity and inclusion, public commitment to LGBTQ equality and responsible citizenship.

When results are broken out by industry, 32 out of 39 respondents in the consulting and business services sector racked up a 100 score, including Booz Allen Hamilton, Bain & Co., Deloitte and SapientRazorfish.

In the advertising and marketing sector, 17 out of 22 companies hit the 100 mark, including Edelman, Fleishman-Hillard, Interpublic Group, Ogilvy and Omnicom.

According to the survey, 91 percent of respondents now include sexual orientation in their non-discrimination policy, up from 61 percent in 2002, the first year in which the CEI was conducted. But that increase is dwarfed by the rise in support for transgender rights, with 83 percent of responding companies now including gender identity in their non-discrimination protections, up from just three percent in 2002.

As regards other workplace policies, 88 percent of responding companies have inclusive diversity training, 83 percent offer a robust set of practices (at least three efforts) to support organizational LGBTQ diversity competency and 79 percent offered transgender-inclusive health care coverage options through at least one firm-wide plan.



TIME INC. POSTS 9% Q3 REVENUES SLIDE

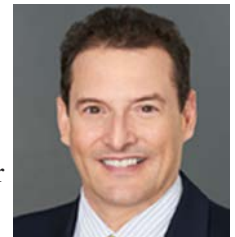
Time Inc. last week reported a nine percent drop in Q3 revenues to \$679M due to an 18 percent decline in advertising sales.

CEO Rich Battista highlighted Time's growth in digital/brand extensions revenues, that are expected to hit the \$1B mark this year.

For the first time, the publisher provided quarterly breakout figures for magazine, digital and brand extension segments.

The magazine group dipped 14 percent to \$433M, while digital advanced three percent to \$165M and brand extensions slipped four percent to \$83M.

Battista noted that the publisher's "strategic transformation program" officially launched during Q3, a program designed to optimize revenues opportunities and shave more than \$400M from the company's cost structure.



Rich Battista

VERIZON CALLS MTV'S AGATHOKLIS

Verizon has tapped Mariana Agathoklis for the VP-corporate communications post that was formerly held by Torod Neptune, who left in March for Lenovo after a nearly two-year stint at the company.

The ex-VP communications at MTV takes charge of external communications and issues, reporting to Jim Gerace, chief communications officer, from her perch in Basking Ridge, NJ.

At MTV, Agathoklis worked on its series, specials, awards and news programming across the digital, mobile and social platforms. She also was responsible for corporate/brand initiatives, as well as promoting the Viacom unit's leadership team.

Agathoklis joined MTV in 2005 from **Porter Novelli**.

Known for its wireless network, Verizon's Oath unit includes social/digital/video brands such as AOL, TechCrunch, Yahoo, HuffPost, engadget, MAKERS and tumblr.



Mariana Agathoklis

CISION GAUGES EARNED MEDIA VALUE

Cision has launched Cision Impact, a data-driven system that enables brands to attribute business value for earned media campaigns, and Cision IR, which offers investor relations communications services.

Cision Impact includes Cision Impact Reports, which will show validated reach of the number of people who saw a piece of content plus engagement and demographic data; Cision Intelligence Analysis, reporting that is geared toward informing future targeting and campaign planning; and Cision Audiences, which leverages Cision's tracking technology, the Cision ID, to let comms professionals understand exactly who they're reaching with their campaign.

Cision IR offers such services as premium distribution services; webcasting and web hosting capabilities; and the opportunity for users to meet, attract and engage potential investors by presenting at a Virtual Investor Conference.

"We have applied ad-tech data and measurement approaches to earned media," said Cision CEO Kevin Akeroyd. "This gives brands the ability to accurately attribute the bottom-line value of earned media investments for the first time."



Kevin Akeroyd

NYT'S MORGENSON EXITS FOR WSJ

Gretchen Morgenson, top financial journalist and 19-year *New York Times* veteran, will join the *Wall Street Journal* later this month as senior special writer on its investigative team.

Gerard Baker, editor-in-chief of the WSJ, praised Morgenson as "one of the finest investigative journalists of her generation."

At the NYT, she covered financial scandals including Long Term Capital Management, Wells Fargo, as well as the global meltdown of 2008, which



Gretchen Morgenson

resulted in the book, "Reckless Endangerment" co-authored with Joshua Rosner

Earlier, Morgenson wrote for *Forbes* and rose to the financial editor slot. In 1996, she was press secretary for Steve Forbes' presidential run.

At the WSJ, Morgenson will report to Mike Siconolfi, senior editor investigations, and Jenn Forsyth, deputy investigations editor.

HOFFMAN HEADS TO INDONESIA

Global tech firm **The Hoffman Agency** has launched a new operation in Indonesia.

Hoffman's Jakarta office, which officially opened yesterday, comprises the independent agency's seventh outpost in the Asia Pacific region (Hoffman opened its first Asia Pacific office more than 20 years ago and now maintains operations in Hong Kong, Beijing, Seoul, Shanghai, Singapore and Tokyo).



Lou Hoffman

Hoffman's Jakarta location currently staffs three and plans to add more employees as the operation grows. It will be led by Cici Utari, who formerly led Jakarta-based PR shop Qycomms. Hoffman previously collaborated with Qycomms on numerous PR assignments in Indonesia.

CEO Lou Hoffman told *O'Dwyer's* that the decision to launch a Jakarta office comes in light of historic growth in the tech landscape across Southeast Asia. PricewaterhouseCoopers recently predicted the Indonesian economy will be the world's fifth largest by 2030.

"We view Indonesia and Southeast Asia in general as a massive opportunity that's underserved by communication consultancies. Most people are surprised to hear that Indonesia will be a top five global economy in 2030. Of course, 2030 is many years away, but the point is this is a market undergoing massive growth. We wanted to get in early."

San Jose, CA-based Hoffman celebrates its 30-year anniversary this year.

BERMUDA BRINGS ON LOBBYING SUPPORT

The government of Bermuda has hired communications and lobbying firm TheGroup to provide political outreach in Washington as well as consulting services on U.S. policy.

TheGroup will provide political lobbying services for the British colony in the U.S., including outreach and advocacy



work among members of Congress, the executive branch and advocacy groups, particularly the U.S. financial services industry, according to Foreign Agents Registration Act documents filed in November.

TheGroup will also work with senior Bermuda government officials to develop and implement a communications strategy and will provide consulting services regarding U.S. policy and political developments relevant to the Atlantic islands territory.

The three-month pact, which became effective November 1, runs until January 30, 2018 and fetches TheGroup \$20,000 per month for a total of \$60,000.

PR OPINION

WPP, hit with a 17.8% stock drop from \$119 to \$84 in the past 52 weeks, is putting pressure on its units in a move to bolster net.

Its Ogilvy unit is undergoing a restructuring, eliminating PR as a separate function. It is being combined with advertising and marketing.

PR Week/U.S. had reported \$375 million in revenues and 2,703 staff for 2016 for Ogilvy PR, and the Holmes ranking gave it \$361M in revenues.

Ogilvy spokespeople have disavowed such figures.

The 2016 *O'Dwyer's Directory of PR Firms* had a full-page listing for Ogilvy PR that had a 45-line "Agency Statement," 10 offices, five staffers by name including Christopher Graves as global chair and Stuart Smith as worldwide CEO, and 30 accounts, from ACT, American Express, Bayer and BP to Unilever, UPS and Vodafone.

This was cut to nine lines in the 2017 Directory. Ogilvy currently has one subscription to O'Dwyer's. Three staffers are listed as members of PR Society of America.

John Seifert is worldwide **CEO of Ogilvy & Mather Worldwide**.

PR industry subscriptions to trade media have dwindled in recent years as PR practitioners have increased their use of social media and house websites to transmit messages. PR Reporter, PR Quarterly and three Ragan publications stopped publishing. Paul Holmes stopped publishing the magazine *Reputation Management* but has continued to supply news and commentary on his website. The *New York Times* dropped its daily ad column in 2015 after 82 years. It covered PR, although infrequently.

Independent PR Firms Show Growth

The following story, from the March 28, 2017 O'Dwyer website, **shows the growth of independent PR firms**:

Edelman leads O'Dwyer's ranking of PR firms again, posting \$874.9M in 2016 net fees, up 2.4 percent. W2O Group (\$122.7M, +33 percent) bumped APCO (\$120.6M, +1 percent) down to third place.

Finn Partners (\$76.7M, +7.3 percent), ICR (\$55.6M, -1.0 percent), and Padilla (\$42.4M, -1.9 percent) are joined in the top ten by newcomers Prosek Partners (\$31.2M, +28.1 percent), Racepoint Global (\$29M, +7.8 percent), Coyne (\$27.3M, +26.9 percent), and Fahlgren Mortine (\$24.4M, +18.9 percent).

Eighteen of the top 25 firms posted year-over-year gains with 12 showing double-digit growth. Overall, 90 of the 121 ranked firms had a positive change.

O'Dwyer's has the only rankings by PR specialty:



John Seifert



agriculture, beauty & fashion, entertainment, environmental & PA, financial & investor relations, food & beverage, healthcare, home furnishings, professional services, sports, technology, and travel & economic development.

Firms are also ranked in 13 key cities/regions such as New York, D.C., Southeast, Chicago, and Los Angeles.

Rankings participants were required to submit the top page of the latest corporate income tax return and W-3, establishing them as PR firms rather than ad agencies or other types of businesses. O'Dwyer's is the only **ranking that requires this documentation**.

Conglomerates Under Pressure

WPP, with revenues of \$19.9 billion, has debt of \$9.82B, a total debt/equity ratio of 76.35 and a current ratio of .99. Omnicom, second biggest conglomerate with \$15.4B in revenues, has debt of \$4.98B, a total debt/equity ratio of 168.86, and a current ratio of .89. OMC's stock has dropped from a 52-week high of \$89.66 to \$67.

The weakening in the ad market is due to digital disruption, activist investors and the low cost of capital money, WPP CEO Martin Sorrell told CNBC.

WPP's latest earnings report **showed a larger-than-estimated decline in advertising spending** by consumer-product companies. The stock declined more than 12 percent on the news.

While the current outlook is bleak, digital disruption provides opportunities for growth, Sorrell said.

Sorrell Sees Digital Disruption

"It's the digital disruption in consumer consumption of media, the digital disruption you see in distribution, and the digital disruption you see in production through 3-D printing, and digital forms of production, autonomous cars, electrical cars, whatever that is disrupting legacy models," Sorrell told CNBC's "Squawk on the Street."

"It's all of the above. That for us is a bigger opportunity."

About 41 percent of WPP's \$20 billion revenue comes from digital sources, signaling the company has made the transition to today's digital world, Sorrell said. Still, he sees opportunities to expand.

Google partnering with Wal-Mart to **offer voice-enabled shopping** — which will directly compete against Amazon — was an example of how companies can adapt to changing purchasing behavior, he noted. Sorrell said earlier in July that WPP would be investing heavily in digital services, particularly with Google and Facebook.

WPP's PR/PA units slipped 1.0 percent during the third quarter as Sorrell warned investors of slowing industry growth following a good run of seven years.

"It does seem that in the new normal of a low growth, low inflation, limited pricing power world, there is an increasing focus on cost reduction, exacerbated by a management consultant emphasis on cost reduction and the close-to-zero cost of capital funding of activist investors and zero-based budgeters," wrote Sorrell in WPP's trading update.

— Jack O'Dwyer