



Jack O'Dwyer  
Editor-in-Chief

# O'Dwyer's Newsletter

The Inside News of  
PR and Marketing  
Communications

271 Madison Ave., New York, NY 10016  
212/679-2471. Fax: 212/683-2750  
[www.odwyerpr.com](http://www.odwyerpr.com); [jobs.odwyerpr.com](http://jobs.odwyerpr.com)

October 30, 2017 Vol. 50 No. 43

## IPG POSTS 1.0% DROP IN Q3 REVENUES

Interpublic last week reported a one percent drop in Q3 revenues to \$1.9B and a 5.3 percent gain in operating income to \$219.1M.

CEO Michael Roth blamed IPG's skimpy 0.5 percent hike in organic growth on the negative impact of "broader trends that are being felt throughout much of the industry." Organic growth advanced 1.3 percent in the US, but fell 0.7 percent overseas.



Roth shaved full-year organic growth targets in half to the one-to-two percent range due to "client caution and the macro environment," according to his statement.

He's confident of growth over the long-term because IPG's "agencies and talent across the portfolio remain among the best in their respective disciplines."

IPG's constituency management group suffered an 8.7 percent drop in revenues to \$382.4M during the quarter. Organic revenues slid five percent.

The PR portion of CMG, which includes Weber Shandwick, DeVries, Creation, Current and Golin, showed a more upbeat performance.

Andy Polansky, CEO of WS, told *O'Dwyer's* the PR group showed a "slight decrease" during Q3 and was "slightly up" for the year.

WS, added Polansky, was "slightly down" from a tough comparison, though it posted solid gains in the corporate, healthcare and digital sectors.

## APCO'S OSBORNE ROSS MOVES TO EDELMAN

Lisa Osborne Ross, managing director of APCO Worldwide's Washington office, will move to Edelman as Washington president on Nov. 13. She will succeed Rob Rehg, who becomes US public affairs chair.

Prior to APCO, Ross did a 15-year stint at Ogilvy, where she rose to head its public affairs group.

She served in both Clinton Administrations, focused on policy development and issues management.

Her government roles included communications director for the Labor Dept.'s effort to promote high-performance workplaces, deputy director of the Federal Glass Ceiling Commission and chief of staff for the White House Office of Women's Initiatives and Outreach.



Lisa Osborne Ross

Edelman US chief Russell Dubner said Ross has the  
(Continued on pg. 2)

## HEALTHCARE PLATFORM ISSUES PR RFP

A digital healthcare platform has issued a **confidential RFP announcement** for an agency that can raise public awareness for an online portal for doctors and patients that will see an expected soft launch date early next year in select cities.

The initial engagement period would run between six months and a year.

Participating agencies must sign a non-disclosure agreement in order to receive the full RFP containing the client name, as well as additional details regarding the program objectives. A shortlist will be created out of the agencies that respond to the RFP, who will then be asked to submit a proposal for a comprehensive integrated PR program to demonstrate their qualifications.

Send proposals to [Lisahenrypr@consultant.com](mailto:Lisahenrypr@consultant.com).

Deadline for the signed NDA is Nov. 1. Deadline for proposals is Nov. 24.



## PODESTA USES LEVINSON GROUP

The Podesta Group, which is under investigation by Special Counsel Robert Mueller as part of his probe into potential collusion between the Trump campaign and Russia into meddling into the presidential election, uses crisis/litigation shop The Levinson Group for communications support.

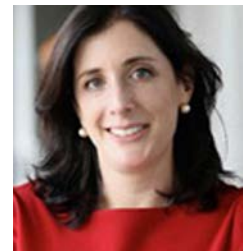
Molly Levinson, a veteran of Washington political/media circles, launched The Levinson Group in 2014 after a brief stint at Freedman Consulting, where she was VP-strategy.

She joined CNN as a producer in 2001, rose to political director in 2006, left for the political director spot at CBS News and then returned to CNN as politics/elections consultant.

Mueller is probing Trump's former campaign manager Paul Manafort, and his work for the European Centre for a Modern Ukraine, which also hired PG.

PG maintains that it fully disclosed its representation of ECMU and complied with FARA filing regulations five years ago within weeks of starting its work. "Any insinuation to the contrary is false," says PG.

The firm said it cooperated with Mueller's office and has taken every step to provide documentation that confirms compliance with the law.



Molly Levinson

## APCO'S OSBORNE ROSS MOVES TO EDELMAN

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“dynamism and curiosity that are hallmarks to Edelman’s culture and its leaders.”

During an 11-year run, Rehg more than doubled the size of Edelman’s DC office. In addition to counseling clients on policy-related issues, Rehg will push multi-state and local issues programming and oversee the firm’s collaborative journalism newsroom effort to bring journalistic quality content to corporate and brand storytelling.

Ross and Rehg report to Dubner.

## FTI'S PR UNIT POSTS 5.1% GROWTH

FTI Consulting reported that its strategic communications unit enjoyed a 5.1 percent growth spurt to \$48.2M driven by a hike in retainer-based revenues. The segment’s EBITDA jumped 8.0 percent to \$8.1M.

Overall, FTI posted a 2.5 percent quarterly revenue gain to \$449M due to a bullish performance in the corporate financial and restructuring group.

Net income of \$32.2M topped the \$21.7M earnings of a year ago.

CEO Steven Gunby said in a statement that FTI’s performance reflects the leadership positions of its various practices coupled with “prudent cost management and the significant progress we have made growing and adding talent in the areas in which we have the right to win.”



**Steven Gunby**

## FENTON LAUNCHES NEW CSR OFFERING

Progressive PR shop Fenton has launched ACTIO, a newly formed corporate and brand practice that aims to help brands navigate the current political landscape by moving their CSR endeavors from a marketing or corporate-led approach to a values-driven approach.

Leading the new venture is Scott Beaudoin, who’s been appointed group president. Beaudoin joins the “social change” agency from RF|Binder, where he was chief strategy officer and executive managing director of that agency’s corporate and brand purpose practice. He was previously corporate and brand citizenship global practice director at MSLGROUP.

Beaudoin’s appointment becomes effective November 1.

“Fenton has done traditional CSR work, and done it well for years. But the landscape is shifting,” Fenton CEO Ben Wyskida told *O’Dwyer’s*. “Brands are now at the center of the socio-political landscape, and increasingly can be real drivers for change if they choose to be. We had the opportunity to bring on Scott Beaudoin, who is extremely talented, but also recognized that this moment calls for a new kind of ‘corporate social responsibility practice’ that is focused on action. We think there is important and meaningful work to be done in this sector.”



**Scott Beaudoin**

## FACEBOOK USE FALLS ACROSS MIDDLE EAST

Despite a general rise in social media use in the Middle East and a consistent increase of Internet penetration across every country in that region, Facebook’s popularity now appears to be on the decline, according to a **seven-nation survey of Middle Eastern media** use conducted by Northwestern University in Qatar.

With a penetration of nearly 75 percent of Internet users, Facebook has long been the dominant social media platform in the MENA region, but that appears to be changing. While Internet penetration has risen overall in every country in the region, Facebook use among Internet users has declined

across nearly all countries during the same time period, dropping 10 percentage points since 2015 and 20 percentage points since 2013.

In Qatar and Saudi Arabia,

Facebook use plummeted by more than 20 percentage points in the last two years alone, to 22 percent in Qatar (compared to 43 percent in 2015) and 55 percent in Saudi Arabia (compared to 76 percent in 2015).

In the United Arab Emirates, Facebook use among all nationals declined to about 70 percent, versus 83 percent in 2015 and 84 percent in 2013.

One of the few exceptions appears to be Lebanon, where Facebook not only remains the dominant platform but has actually gained users, at 77 percent this year compared to 64 percent two years ago and 53 percent in 2013.

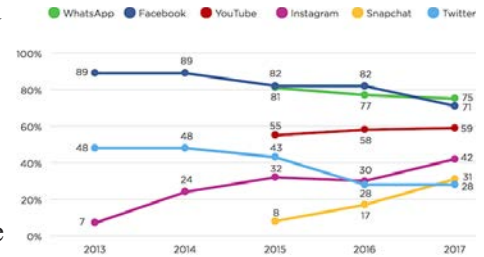
Sharing a fate similar to Facebook, Twitter’s penetration in the MENA region also appears to have fallen, declining from 47 percent to 24 percent in use overall, with the micro-blogging site’s popularity now particularly low in Lebanon (13 percent), Jordan (9 percent) and Tunisia (8 percent).

On the other hand, smartphone instant messaging service WhatsApp has exploded in the Middle East, with about two-thirds of all nationals citing its use and now accounting for nearly 80 percent penetration this year among the region’s Internet users, edging out Facebook for the first time and now topping the list of the region’s preferred social media platforms.

Photo-sharing service Instagram has also surged, from 6 percent to 39 percent penetration among Internet users in the region. Use of messaging app Snapchat has also grown, now used by about 28 percent of the population.

According to the survey, younger nationals (18-24 year-olds and 25-34 year-olds) tend to favor Instagram, Snapchat and Twitter. While WhatsApp, Facebook and YouTube tend to skew younger as well, older demographics (45+) are more inclined to cite these platforms as their mediums of choice.

Northwestern University in Qatar’s fifth annual survey was conducted in collaboration with Harris Poll and surveyed 7,196 residents in Saudi Arabia, United Arab Emirates, Qatar, Lebanon, Jordan, Tunisia and Egypt between February and March.



**MENA Internet users' use of various social media platforms, 2017.**

## **EXEC VP WILSON EXITS MWWPR**

Heather Wilson, who joined MWWPR in February as executive VP/managing director of the national crisis/issues management practice, is no longer with the Jersey-based independent firm.

Prior to joining MWWPR, Wilson headed Abernathy MacGregor's San Francisco office and led Bay Area issues, financial communications and corporate reputation work.

She also served as executive VP for Weber Shandwick, where she handled communications surrounding the so-called "Miracle on the Hudson" crash landing of US Air Flight 1549 piloted by Capt. "Sully" Sullenberger.

MWWPR CEO Michael Kempner could not be reached for comment about a replacement for Wilson, whom he had lauded as "one of the leading crisis communications and corporate reputation professionals in our industry."



**Heather Wilson**

## **OGILVY LOSES HUSAIN TO LEWIS**

Asif Husain, senior VP in New York and San Francisco at Ogilvy, has joined Lewis as US head of brand marketing.

The 17-year PR veteran heads the media strategy group and is responsible for the recently launched executive visibility practice.

Husain has worked on campaigns for IBM, Volvo Trucks, Sprint, Intel and LG Mobile.

At Lewis, he's also charged with developing multi-country programs for international clients.

The firm has 550 staffers in 30 countries.



**Asif Husain**

## **CLS BUILDS REPUBLICAN CRED**

CLS Strategies has hired Ruth Guerra, former director of Hispanic media at the Republican National Committee, as managing director.

She was most recently communications director at the center-right American Action Network, which today unveiled a \$2M ad push in support of tax reform, positioning it as a boon to the middle class.

Guerra, who got her start in politics during John McCain's 2008 presidential run, also was communications director for Rep. Sam Johnson of Texas and Mario Diaz-Balart of Florida.

CLS founding partner Bob Chlopak is former executive director of the Democratic Senatorial Committee and head of Sawyer Miller's Washington office.

Omnicom owns CLS Strategies.



**Ruth Guerra**

## **LONGSWORTH MAKES IMPACT ON RFBINDER**

Annie Longworth, founder/CEO of The Siren Agency CSR and social impact shop, is joining **RF|Binder** on Oct. 31.

She'll lead the RFB|Siren division as well as the independent firm's newly opened San Francisco office.

Longworth launched Siren in 2015 after a three-year stint as CEO of Saatchi & Saatchi S.

Earlier, she spent nine years at president of Cohn & Wolfe San Francisco, launching and leading the WPP unit's sustainability practice.

Longworth, who is deft at insight collection, strategic discovery and social storytelling, has counseled Caesars Entertainment, Coca-Cola, Johnson & Johnson, Jackson Family Wines, American Express and Tom's of Maine.

The addition of Siren bolsters RF|Binder's commitment to working with what it calls purpose-driven brands.

"In the last several years, we have seen a significant shift in the value businesses, consumers and the investment community place on social and environmental impact. RFB|Siren is our response to that growing demand," said Amy Binder, CEO of RF|Binder.



**Annie Longworth**

## **AGENCY DEBUTS GENE THERAPY DIVISION**

Healthcare communications shop The Ruth Group has launched a new specialized practice dedicated solely to the gene therapy and gene editing sector.

The newly assembled unit, which is currently taking clients, will partner with companies in the gene therapy and gene editing space for the purpose of outlining individual technologies and differentiating each company's unique aspects.

At least four team members will be dedicated to the focused group. It will be led by senior vice president Robert E. Flamm, Ph.D., and will include staff with scientific, medical and capital markets expertise.

Carol Ruth, TRG founder and president, told *O'Dwyer's* that an ongoing rise of gene therapy, personalized medicine and an increased knowledge of the human genome have birthed a number of innovative and growing companies within these spaces, which has similarly driven an increased interest in gene therapy and editing within the communications industry.

"More and more healthcare companies are focusing on applications of these technologies for a variety of indications," Ruth told *O'Dwyer's*. "We formed a specialized group to concentrate on this area due to its unique potential messaging needs and TRG's unique scientific staff and capabilities. We believe that our group is distinctly qualified and experienced to present the complicated science to the most beneficial audience."

New York-based TRG, which was founded in 1999, also maintains a Life Sciences and Biotech practice as well as a Medical Devices and Technology division.



**Carol Ruth**

**PR OPINION**

**ICCO, 2,500 PR firms in 55 countries, voted the “Helsinki Declaration,” a pompous document urging ethical behavior** of members. Ignored is the rude, unhelpful and not available behavior of many PR people. (RUN).

The instant example is the failure of **Charlene Corrin**, press contact of the Int’l Communications Consultancy Organization, to return an email about the September meeting.

Press relations on the corporate side have also reached an all-time low.

Appropriate terms for this PR behavior are “wrong,” “bad,” and even “naughty.” There is no need to bring out the heavy gun of “ethics violation.” That invites endless discussion. It’s wrong for PRSA to have one national conference in New York in 25 years.

The “war” that President Donald Trump is waging against the press is mirrored in many parts of the business and association worlds. Patrick Jackson, who in 1980 was elected president of the PR Society of America, the world’s largest PR group with 21,000 members, said the Society’s press policy would be “duck ‘em, screw ‘em and go direct.”

The Society has held to this policy to this day. Its national conference in Boston Oct. 7-11 had no press room, and its online press room only gave awards to members. There wasn’t a word about the fractious proposal to replace “PR” with “communications” throughout the bylaws. There still isn’t to this day. The *Boston Globe* and *Boston Herald* did not cover the event—obviously not invited.

This writer, as usual, was banned from covering the Assembly and all sessions and from entering the exhibit hall where 45 service firms exhibit, some of them our advertisers and all of them ad prospects.

### **ICCO Unveils Ten Principles**

ICCO, whose CEO is **Francis Ingham**, voted ten ethical principles at its meeting in Helsinki, including: follow applicable laws, observe the highest professional standards, respect the truth, uphold the reputation of the industry, deal honestly with the media, don’t circulate fake news, and use social media responsibly.

Fine general advice but how about “Pick up the phone when a reporter calls,” and “Don’t wait for them to call but call them.”

Ingham, who is director general of the 21,000-member PR Consultants Assn., London, is a firm believer in the need for PR people to deal with the press.

PR needs “advocates who can communicate with the media and general public,” he said in September.

Ingham spoke after the UK-based PRCA expelled Bell Pottinger, which had been accused of running a campaign that “inflamed racial discord” in South Africa.

The firm went into “administration” (similar to bankruptcy) after client defections, the resignation of CEO James Henderson, five-year expulsion from the PRCA, and **failure of consultant BDO to find a buyer**.

### **PRSA, Other Groups Called on to Act**

Ingham aimed his message of PR’s duty to “engage with the public” specifically at “anybody representing our business” which would include PR Society of America,

Int’l Assn. of Business Communicators, PR Council and other trade groups.

PRSA abandoned its enforceable Ethics Code in 1999 and has seen its membership total stagnate since then. Enrollment of 19,600 in 2000 grew to only 21,000 in 2017. Revenues in 2016 of \$11.3M were below revenues of \$11.4M in 2006.

Modern PR is much more than traditional media relations but “an antagonistic relationship with traditional media means our story seldom breaks through to the business community or general public,” added Ingham, who has spent ten years as director general.

PRCA’s suspension of BP shows that members “will be held to account by its ethical code,” said Ingham.

### **Provable Ethics Violations Rare**

Provable PR firm ethics violations are about as rare as a solar eclipse. The number of prosecuted cases in the last 50 years can be counted on the fingers of one hand. PR firms quit the governing ethics body or avoid obviously bad accounts.

A horrible case is Summer Harrison in 1988—hit with two violations for asking PRSA to investigate four high PR execs giving advice to CIA head William Casey on raising funds for the Contras, including Jim Bowling and Elias Buchwald of B-M. **Harold Burson refused to go**.

That link shows how PRSA treasurer Lee Duffey should have been smacked in 1999 but he hired L. Lin Wood who frightened PRSA so much it ditched the entire code. Wood is profiled as the **“Attorney for the Damned” by Wiki**.

Wood ordered me not to write anything about Duffey without clearing it with him. I continued writing. PRSA caved and ditched the entire enforceable code.

Ted Pincus, Financial Relations Board, not active in PRSA, got smacked because his firm sent false releases for a client.

The outcome of Ethics cases, including failure to investigate public cases involving Duffey and Joe Epley, show PR people can’t police themselves. PRSA’s Ethics Board should again have an enforceable Code and should be dominated by non-members.

### **Rude, Hidden PR People a Press Problem**

The problem with PR is PR people who don’t return phone calls, who display no contact points and who don’t call on reporters, which was standard in the ’60s and ’70s. The congloms changed that. Jackson, 1980 PRSA president who avoided the press, was a harbinger of Trump, whose popularity is at an all-time low—43% says, Fox.

Talk of “ethics” is a smokescreen. It’s false PR in that those who talk endlessly about it think they are sending the message that they are ethical. Their staff may be rude and unhelpful to the press, but that is not “unethical.”

PR people need training in good old etiquette. Talk about ethics coats the speakers in veneer of goodness. The term “PR” has vanished from many corporations and associations.

– **Jack O’Dwyer**