

PR News

Building the bridge between PR and the bottom line.

March 30, 2005

prnewsonline.com

Issue 13 Vol. 61

Contents

Are We There Yet? Not Quite, But Online PR Starts To Cruise

▶ Measurement	Notes From The IPR Front	2
▶ Case Study	A Spirited PR Campaign From Diageo	4-5
▶ PR Notebook	Long-Term Outlook On PR Jobs	8

It may be taboo in public relations, but Heath Shackelford, PR manager at American Healthways Inc. (Nashville), admits that he “always hated press releases.”

But he changed his tune about the effectiveness of press releases after the company – which specializes in comprehensive disease management for 1.5 million patients via 50 major

health plans – overhauled its Web site last year (www.americanhealthways.com).

Prior to the overhaul, “our information was available on our home page, but it didn’t have weight or a brand identity that people could associate with in getting our information,” Shackelford says. So, working in concert with the marketing-communications department, Shackelford helped to create two separate “microsites” specifically tailored to support PR initiatives initiated by the company.

The microsites, www.patient-physician.com, launched in February 2004, and www.rewardingquality.com,

launched earlier this month, disseminate information on the results of an annual conference American Healthways holds with Johns Hopkins University that tackles best practices in the patient-physician relationship and other vital healthcare issues.

With the sites up and running – patient-physician.com has had more than more 10,500 hits so far – Shackelford now considers press releases a much better option: “It just seems like our press releases gets disseminated more widely via the microsites – and show up on other Web sites.” That, in turn, has generated more knowledge about American Healthways

among its main constituents – healthcare providers and physicians – as well as the greater healthcare community. “Suddenly I’m seeing our information getting pickup in a meaningful way, rather than just firing off [press releases] into outer space,” Shackelford says. “People are seeking us out, whereas before they didn’t know about us.”

The Web certainly has come of age in a short time. Earlier this decade – with memories of the dot-com debacle still fresh among marketing professionals – the Internet was perhaps considered the third rail of

Page 3 ▶

(((PR PULSE)))

The last few weeks of news might have you believing that everyone with a computer is dosing on blogs (the shortened form of the original “Web logs”). But it’s just more “inside baseball” within media circles. A new CNN/USA Today/Gallup poll says relatively few Americans are familiar with blogging; only one in four either are “very familiar” or “somewhat familiar” with blogs.

Still, it’s important to remember that younger people are getting hip to the blogosphere (see chart), which is noteworthy when you consider the high percentage of American youth who, in the last several years, have tuned out traditional news altogether.

	Percentage of Americans who use the Internet	Percentage of Internet users who read blogs
Age 18 to 29	91%	44%
Age 30 to 49	88	37
Age 50 to 64	75	34
Age 65+	33	28

Source: CNN/USA Today/Gallup poll

Source: MediaPost Communications, 2005

▶ Image Patrol

BY KATIE PAINE

Why Can’t PR Pros Follow Their Own Advice? Tackling The Ketchum, Fleishman Scandals



According to “DefineThat,” a snappy little service on the Internet, public relations is “a form of communication primarily directed toward gaining public understanding and acceptance. Public relations usually deals with issues rather than products or services, and is used to build goodwill with public or employees. Examples of public relations are employee training, support of charitable events or a news release about some positive community participation.”

Sounds simple and

straightforward, doesn’t it? Unfortunately, two recent turns of events show that while some PR execs talk the talk, they don’t walk the walk. With that in mind, we look at how two of the largest PR firms have dealt with their own crises.

As per Ketchum, imagine if your client got embroiled in a major media controversy. Would your first advice be to blame someone else and then say no to every request for comment or documentation? Hardly. These very pages have been filled for years with highly

respected representatives of our industry – some of whom have worked for Ketchum – recommending the fundamentals of crisis communications: Own the problem. Be forthright, contrite, and honest. Give out as much information as you possibly can. Did Ketchum do any of those things? Hardly. As a result, the scandal sparked by Ketchum’s hiring Armstrong Williams to plug the Bush administration’s “No Child Left Behind” school-

Page 6 ▶





Takeaways From IPRRC Confab: Let Us Count The Ways

Editor, Matthew Schwartz, 212.621.4875, mschwartz@accessintel.com

Managing Editor, Debra Wayne, 301.354.1801, dwayne@accessintel.com

Contributing Editor, Ann Cooper, 212.621.4833, acooper@accessintel.com

Sr. Marcom Manager, Amy Urban, 301.354.1699, aurban@accessintel.com

Newsletter Prod., Rosalene Labrado-Perillo

AVP/Associate Publisher, Jennifer Schwartz 301.354.1702, jschwartz@accessintel.com

VP/Publisher, Diane Schwartz 301.354.1761, dschwartz@accessintel.com

Division President, Heather Farley
President & CEO, Don Pazour

PR News ADVISORY BOARD

Ned Barnett - Barnett Marketing Communications
Carol Cone - Cone Inc

Peter Debreceay - Allstate

Mike Herman - Epley Associates

Anne Isenhower - American Cancer Society

Jim Lukaszewski - Lukaszewski Group

Tom Martin - ITT

Mike Paul - MGP & Associates PR

Deborah Radman - Stanton Communications

Gerald S. Schwartz - G.S. Schwartz & Co.

Helene Solomon - Solomon McCown & Co.

Mark Weiner - Delahaye

PR News BOARD OF CONTRIBUTORS

Andy Gilman - CommCore Consulting

Bruce Jeffries-Fox - Jeffries-Fox Associates

Richard Laermer - RLM Public Relations

Richard Levick - Levick Strategic Comms

Ian Lipner - Lewis PR/YoungPRpros

Katie Paine - KDPaine & Partners

Mark Reilly - Issue Dynamics

Rodger Roeser - Justice & Young

Brenda Siler - Amer. Speech-Language-Hearing Assoc.

Lou Thompson - National Investor Relations Institute

Reid Walker - Honeywell

Article Reprints, Darla Curtis, 800-211-6356, dc Curtis@accessintel.com

Your Partner In The Information Age



Published weekly by Access Intelligence, LLC
1201 Seven Locks Road - P.O. Box 61130
Potomac, MD 20854-1130 USA 888.707.5814
FAX: 301.309.3847 Telex: 358149;
e-mail: clientservices@accessintel.com

New York Editorial Office:
110 William St., 11th Floor, New York, NY 10038
Phone: 212.621.4875 Fax: 212.621.4879

Subscription/Renewal Coupon

I want to subscribe to PR News for \$697 a year and receive 48 issues plus full access to the online Article Archives.

Name: _____

Title: _____

Organization: _____

Address: _____

City: _____ State: _____

ZIP: _____ Country: _____

Phone: _____ Fax: _____

Email: _____

I want to renew my \$697 subscription to PR News. My account number is: _____

Charge my:

Card No. _____

Exp. _____

Signature: _____

Check enclosed (Payable to Access Intelligence, LLC)
In MD add 5% tax—outside US. add \$66 postage/proc.
Fax to 301.309.3847.

For subscribers only: full access to PR News article archives at www.prnewsonline.com

The driving force behind the International Public Relations Research Conference, now in its eighth year, is to sit and discuss research pertaining solely to public relations.

More than 70 papers describing research, theory and case studies were presented in Miami March 11-13. So what are some of the important takeaways from this year's conference for PR professionals? Here's a sampling of some of the best practices:

► The Transparent CEO Letter

University of Miami doctoral student Marcia Watson compared CEO annual-report letters before and after the Sarbanes-Oxley Act from a random sampling of 50 large companies. Prior research has shown that the executive letter is the most widely read section of a corporate annual report, and improving readability seems an obvious way to improve disclosure and investor confidence. Watson also found that the average CEO letter had gotten longer. The overall average for 50 letters wasn't much better. One more data point that might get a CEO's attention: For 48% of the letters, there was a change in the signer.

► What Value CSR?

A study by University of Louisiana at Lafayette's Sandra Duhé examined corporate reputation and social responsibility from an insider's point of view. Looking at 21 years of data from Fortune's "Most Admired Companies" series, it's clear that firms perceived as being financially sound with high-quality management do substantially better over time on a variety of financial measures, including earnings per share and market cap. However, a company's reputation for social responsibility

also is a significant predictor of financial performance.

► Blogs Can Be Measured

Katie Paine of KDPaine & Partners (see p.1) and blogger Andy Lark examined how to measure blogs and other consumer-generated media along with what to do with the data. The paper argued that it is pos-

The real challenge with measuring blogs is not how to do it, but rather that the nature of blogs may render management impossible.

sible to follow best practices in measuring blog outcomes (financial or relational), outcomes (content analysis of the messages) and outputs (activity or tracking of visitors). But the authors caution that the real challenge with measuring blogs is not how to do it, but rather that the nature of blogs may render management impossible.

► Sorting Stakeholders

Brigham Young University professors Brad Rawlins and Kenneth Plowman along with graduate student Elizabeth Stohlton proposed a stakeholder-prioritization model based on combining four previous methodologies. The resulting model

allows an organization to differentiate clearly among stakeholders by examining such factors as their power, legitimacy and urgency on any given issue. Most critical are those who can actually damage or dominate the organization and its reputation, particularly the "definitive" stakeholders who can truly define an issue and the organization's response.

► Death Of The Grapevine

University of South Alabama's Don Wright examined changes in employee communication due to interactive technologies that allow them to take control of both media and message selection. Wright conducted a decade-long trend study based on interviews with plant employees of a large, international manufacturing company. Internal e-mail and the company's Internet and intranet Web sites have now become the most frequently used as well as the most credible sources of company information. What's more, even rumors and the grapevine have declined sharply in usage and believability when compared to electronic internal media – a statistic that shouldn't get short shrift from PR managers struggling to get their arms around all the information that's now flying at them. PRIN

(For more information on the IPRRC, previous papers or abstracts, please go to www.instituteforpr.com. The complete proceedings will be posted later this spring.)

CONTACT:

Don W. Stacks, professor and director of the advertising & public relations program at the University of Miami's School of Communication, serves as director of the IPRRC. He also chairs the Institute's Industry Affairs Committee. He can be reached at 305.284.2358 or at don.stacks@miami.edu.

Online Communications

► Page 1

marketing communications: Touch it and your brand could get burned.

But in the last couple of years, as skepticism about the Web has waned, the Internet has grown tremendously at the workplace and the home (see chart), presenting PR execs with a plethora of choices on how to enhance their electronic communications. These include tracking the blogosphere (see *PR News*, Feb. 23, 2005) to finding ways to making sure your product and/or service shows up on the first page of increasingly popular search engines like **Google** and **Yahoo!**

For Andre Lawless, director of marketing communications for **Ecast Inc.**, a San Francisco-based provider of MP3-enabled jukeboxes and gaming devices, using an Internet service provider (ISP) for his online communications saves him a boatload of time.

The ISP, **www.iPressroom.com**, which launched in 1999, distributes regular online surveys that take the pulses of Ecast's vendors on such items as sales and customer satisfaction. "Each survey we send out takes the place of 20 or 30 hours of phone work," Lawless says, adding that "rather than create a marketing plan from anecdotal information from our marketing guys in the hallway, we thought it would be more intelligent to go directly to our customers and find out what's relevant to them."

iPressroom.com also serves as a corporate online media center for Ecast, enabling Lawless and his clients to post, say, company e-newsletters, blogs, online disclosures, photos, and RSS news feeds and streaming media – all designed for those media reps who cover the digital-jukebox space. "The more you can give them the more likelihood it's going to get

covered," Lawless says.

Eric Schwartzman, managing partner of **Schwartzman Associates** (Los Angeles), which represents Ecast – and which also uses iPressroom.com to power its Web site, **www.schwartzmanpr.com** – adds that online pressrooms "democratize the distribution of information and let's you extend the sphere of influence beyond the media to your industry and community."

Online communications can also impact public policy. Honey Rand, president of **The Environmental PR Group** (Tampa), which seeks to educate the public on environmental concerns and whose clients have included **DuPont** and **The World Bank**, says one of the organization's main Web sites, **www.thephosphaterisk.com**, has helped the group get its message out about what it calls the "risk" of phosphate strip-mining, in which technology is used to dig into the ground to get the phosphate ore.

In April, the group, which has been engaged in a three-year battle with the strip-mining industry about activities near the Peace River Basin area in Charlotte County, Fla., will revise the Web site to include more online lessons about the risks of strip mining, using photographs, short movies and hot links related to the issue.

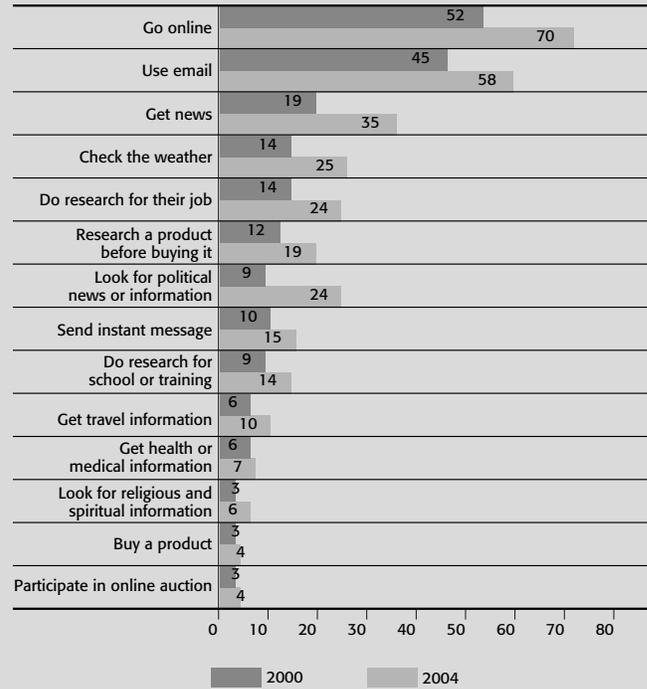
Rand is confident that, through her group's Web presence, "the risk will be managed and [the industry] will have to reduce the threat to the public, such as the pollution of drinking water supplies and accidental spills." Other environmental groups, including **The Audubon Society** and the **Sierra Club**, will, in turn, cross-pollinate the information to their constituencies.

Another benefit: Rand

EVER UPWARD: HOW USE OF THE INTERNET HAS GROWN

Growth of Activities on the Internet in Recent Years

ON A TYPICAL DAY, THIS IS HOW MANY ADULT AMERICANS DO THIS ACTIVITY, IN MILLIONS



At least 2,200 people were polled in a nationally representative telephone survey.

Source: *Pew Internet & American Life Project*

doesn't have to create separate information packets for the media reps following the debate as well as for state and local legislators and environmental lobbyists. "It's very simple. I can send them the link, and they can evaluate it and get more details," Rand says, adding that measurement stats show people stay on the site an average of a half-hour.

Geoffrey Ramsey, CEO of New York City-based **eMarketer**, which aggregates e-business and Internet statistics, stresses that maximizing online communications often requires PR execs to, in a sense, take a back seat, to the news du jour.

"Proactive PR is riding the wave [of big stories] and figuring out an angle," he says. "You

can put out a press advisory via e-mail with informational facts [related to the stories], quotes or key pieces of information that a reporter can incorporate into the story without necessarily contacting you. It's got to have the right tone. If it does, it can be incredibly powerful."

CONTACTS:

Andre Lawless, 415.277.3566, alawless@ecastinc.com; Geoffrey Ramsey, 212.763.6042, geoff@emarketer.com; Eric Schwartzman 310.789.2482, eric@schwartzmanpr.com; Heath Shackelford, 615.263.7405, heath.shackelford@amhealthways.com; Honey Rand, 813.948.6400, honey@comsols4u.com

Diageo Spirits Supplies Throughout The World

COMPANY: Diageo
PR AGENCY: Westhill Partners
CATEGORY: Corporate Social Responsibility/
 Community Affairs
BUDGET: N/A
TIMEFRAME: 2001-2004

Pillsbury and Burger King, has a history and policy of social responsibility and civic involvement. For some time, though, water-based projects have been important.

When it comes to liquor giant **Diageo's** global commitment to social causes and civic involvement, you might say it all comes down to a hill of beans.

"A major staple of the diet in the Dominican Republic is red beans, of which there are four grades. But only Grade A is permitted for food, even in a disaster. If you don't know that and send Grade B, they sit in a warehouse and don't get to the people who need them," says Guy Smith, executive vice president of corporate relations at Diageo North America, whose drinks portfolio includes **Smirnoff, Guinness, Johnnie Walker, Cuervo** and **Beaulieu Vineyards**.

Why that's a rule — or a law — Smith has no idea. "But in the middle of a disaster you don't have time to argue, because it's their country, and you've got to do it," he says. "They don't want poor quality dumped on them, whether it's a disaster or not. There's usually a good reason, but it's all about the details."

Helping Diageo tell its Grade A and Grade B beans apart is **The Bridge Foundation**, a non-governmental organization (NGO) that helps facilitate such humanitarian projects.

Five-year-old Diageo, consisting of several companies, including Guinness, **Hueblein**,

Prior to 9/11, unless a specific facility of the company was hit with a disaster, Diageo focused more on such corporate civic activities as providing fresh water to third-world regions like Africa or Asia.

After the first attack on the Twin Towers, Diageo sent bottled water to the devastated area. Then it established a million-dollar matching fund for emergency workers to supply "tough-book computers, the kind you can role a truck over," Smith says. "Our employees kept saying 'do more.' So we provided a special camp for 9/11 victims to help with trauma."

Following 9/11, the company decided to expand its efforts globally, launching the Diageo "Spirit of America," relief fund. In December 2001, it launched the first humanitarian airlift to Afghanistan, delivering more than 100,000 pounds of food to 800 orphans in Kabul.

"We decided we'd go from Ground Zero in the United States to Ground Zero in Afghanistan," Smith says.

He adds: "We put together a team of New York City firefighters and cops from Ground Zero, and flew in food and supplies. We also took pieces of the towers and of airplanes from Ground Zero and buried them in a special ceremony, which



Precious Cargo: Despite major logistical challenges, Diageo employees spirit aid to places around the world.

was very emotional and covered by the world media. It's important that we don't send a check. We take supplies to those who can benefit."

Working with such local organizations as the **World Food Program**, in May 2003, just after formal hostilities in Iraq had ended, Diageo transported a cargo-load of food, medicine and school supplies to Baghdad via the same team of firefighters, cops, and employees.

Invariably, Smith says, disasters happen in places with no infrastructure. For example, the island of Hispaniola was devastated in June 2004 by torrential rain, flooding and earthquakes. The death toll was in the thousands.

"The supplies had to be put onto boats in the airport at Haiti's Port Au Prince, because there was very little road structure in outlying areas," Smith says. "Then, using mules and people's backs, we trekked

20 kilometers inland. So you need to work through complex issues."

Diageo's corporate-relations department is staffed with people who have led disaster missions to more than 70 countries for Diageo and for other organizations. "When a disaster strikes, we have a critical mass of talent skilled in working with NGOs and governments," Smith says. "If we have a business in the affected country, then we work closely with them."

Not that Diageo just goes to where it has established businesses. "Our products are not sold in Afghanistan and never will be," he adds. "The return is the feeling and the pride that our employees have in their direct ability to touch specific locations and people we do work with."

Deciding on which disaster to address became a major issue after a tsunami hit Southeast Asia on Dec. 26, 2004. "We do business in all the countries

'It's a very effective way of being able to immediately and positively touch a community harmed either by nature or man,' says Guy Smith, executive vice president of corporate relations at Diageo North America. 'Our employees are very involved, offering everything from ideas and suggestions to their own money, which the company matches.'

struck, so you have to husband resources carefully and make choices," Smith says. "It's based on what we think we're able to do and on a case-by-case basis."

Why does Diageo do it? "It's a very effective way of being able to immediately and positively touch a community harmed either by nature or man," Smith says. "Our employees are very involved, offering everything from ideas and suggestions to their own money, which the company matches."

For instance, when the main sponsor pulled out of providing the annual 2003 Thanksgiving dinner for the **Connecticut Food Bank**, employees heard it on the news and asked the company to take action. The result: 12,000 turkeys delivered, feeding 72,000 people.

From a PR standpoint, the aim is to facilitate such efforts, says Rachel Rosenblatt, an executive with **Westhill Partners** who has worked with Diageo on such projects for several years.

"We're just a part of the

team here, and it ranges from the logistical side, coordinating with The Bridge foundation, to dispatching via e-mail an hourly update of how the mission is going. People like it because they can vicariously participate," she says.

Rosenblatt also emphasizes that the aim is not to get media hits or press clips. "Sometimes we put out a press release, but we didn't, for example, on the Afghanistan trip because we took media with us. We were all over them, and we got a lot of reflected sunshine on that."

Not that they are unaware of the image aspects.

"We like to be seen as a corporation made up of families who care," Smith says. "We like to have a value system that matches our employees' value systems."

"We have consumers, distributors and retailers, many of whom contribute and give us positive feedback," he adds. "Obviously, we track the media in all our products and brands, but we don't, as a rule, count

'EVERY LITTLE DETAIL MATTERS'

Logistics often present Diageo with its biggest problem -- whether it's flying in and out of a hurricane, landing in Afghanistan without its plane being shot down by either the Taliban or the U.S. Air Force, or getting supplies from Kabul to an orphanage where the bridges have been blown up. Then there's the bean problem. "We often discover within hours of our departure that there's no Grade-A beans in the state of Florida, and the only place we can find them is in the state of Colorado and, so, how do we get them there?" Smith asks. "Every little detail matters."

specific hits on anything."

Adds Rosenblatt, "We hope that by seeing the work that we do, other companies will get the idea in their head that this is something they can also do."

As for results, Diageo says that, since 2001, it has coordinated humanitarian missions to seven countries, hand-delivered more than 338,999 pounds of aid, and fed nearly one million people.

"I can't tell you how proud of our people I feel. I was on elevator one day and two employees I didn't know said, 'What are we going to do in Darfur?'" he says. "The day the tsunami hit, we started getting e-mails

asking, 'What are we gonna do?' That's just cool." **PRN**

CONTACTS: Guy Smith, 203.229.7755, guy_smith@diageo.com; Rachel Rosenblatt, 212.279.4410, rrosenblatt@westhillpartners.com

Boeing's Black Eye... The ouster earlier this month of Boeing CEO Harry Stonecipher — after he admitted to an affair with a female employee — is the latest in a string of scandals at the aerospace giant. A closer look at what's gone wrong at Boeing — and how PR pros can learn from the scandals — will run in next week's issue of *PR News*.

'We like to be seen as a corporation made up of families who care...We have consumers, distributors and retailers, many of whom contribute and give us positive feedback,' Smith says. 'Obviously, we track the media in all our products and brands, but we don't, as a rule, count specific hits on anything.'



Media Measurement Webinar: High-Return Tactics for Measuring & Maximizing Your Media Relations

Hear from these three industry experts:
Katie Delahaye Paine, KDPaine&Partners, LLC
Linda Rutherford, Southwest Airlines
Angela Vargo, Southwest Airlines

Thursday, March 31, from 1:30-3 p.m. (ET)

Attend right from your PC desktop or conference room. Registration fee: \$279--sign up your entire team in one location.

To register, visit www.prnewsonline.com

Image Patrol

► Page 1

standards law is in its second month and shows no sign of abating.

If extent and duration of crisis is any measure of success, cooperating with the authorities

definitely helps. A recent **Nexis** search showed that Ketchum's crisis was garnering about 40% more coverage than **Fleishman-Hillard's**, despite the fact John Stodder, the partner in charge

of the Los Angeles office's "public affairs" practice group, was indicted on federal fraud charges alleging he participated in a scheme that resulted in fraudulent bills being submitted to the

Los Angeles Department of Water and Power.

I've heard a lot of comments about the damage the stories by the *New York Times* and other mainstream news outlets have

PR News Report Card: Ketchum

Criteria	Grade	Comments	Advice
Extent of coverage	F	This is a story that just won't go away. It's made headlines around the world, and further investigations and accusations, particularly among the blogging set, are keeping it alive.	Saying "no comment" seldom helps, but the consequences are worse than ever now that the blogosphere is a significant force to be reckoned with in any crisis.
Effectiveness of spokesmen	C	I'll give Ray Kotcher credit for trying his best to mitigate the crisis, but it really didn't help much. A recent Op-Ed explanation was roundly critiqued as obfuscation among agencies and media alike.	We can all learn from Sen. John McCain. Because he speaks like a human being, everyone listens. Spokesmen in a crisis need to speak "human," not "spin." And if you are writing your response, it still needs to sound like ordinary speech and not a well-crafted memo.
Communication of key messages	D	Ketchum waffled in the early days, first blaming Williams and then accepting part of the blame. Unfortunately, the media were much more likely to cover the waffling than any of the messages. It certainly doesn't help that Ketchum's Web site totally ignores the issue.	In the early days of a crisis, your actions will be remembered while your words will not. Remember that the first place people go for information is your Web site. If you don't address a crisis there, people will assume you have something to hide.
Management of negative messages	D	In its attempt to avoid more negatives, Ketchum redacted a lot of the billing statements and other documents requested by various groups investigating the extent of the "pay-to-pitch" scandal. This only resulted in more bad press.	"Transparency" isn't just a buzzword. In the wake of Enron , people expect their institutions to be far more transparent than they've been in the past. Only with transparency can you rebuild trust with your constituencies.
Impact on clients	F	If I were a Ketchum client, I would wonder what the impact was on Ketchum's ability to pitch stories effectively in the future.	Beware of the law of unintended consequences. I'm sure there was a perfectly good reason why Ketchum's initial statements blamed the media and Williams, but it certainly didn't help the agency's future relationships.
Impact on shareholders	C	Omnicom (parent company of Ketchum and Fleishman) must be roiling from all the unwanted attention. Whether Omnicom shareholders will notice is another question. Its stock took a dive after the scandal broke but it seems to have recovered.	The good news is that most investors aren't nearly as fascinated with PR crises as we are.
Impact on employees	F	The blow to Ketchum's credibility has to affect all of its employees, whether they're dealing with the media and clients or just talking to friends about the crisis.	Before you go into ostrich mode and start "no comment"-ing all over the place, carefully consider the consequences, not just externally, but internally.
Overall score	F	It's truly amazing how a good PR firm could have so steadfastly ignored the advice it must give out to clients on a regular basis.	Do we really need to say this again? Be honest, be forthcoming with information and be contrite. Don't blame others and accept responsibility. Do as Ketchum says, not as it does.

done to our industry, but the sad thing is, it's not the media coverage of these crises that is

causing the damage – it's our own behavior. **PRN**

CONTACT: KD Paine, CEO of Durham, N.H.-based KDPaine & Partners LLC, can be reached at 603.868.1550, kdaine@kdpaine.com.

PR News Report Card: Fleishman-Hillard

Criteria	Grade	Comments	Advice
Extent of coverage	D	While the DPW/Fleishman crisis has gone on for a lot longer than has the Ketchum crisis, it hasn't generated anywhere near the attention. In fact, most of the coverage has been in the trades and in L.A., and not the national press.	All politics is local and, if there's anyway you can contain a crisis and keep it local, you will be infinitely better off.
Effectiveness of spokesmen	C	CEO John Graham's internal memo that was leaked to the <i>St. Louis Post Dispatch</i> was the one ray of hope in an otherwise appalling display of no-comment-itis. Given the nature of the charges, the head of the office accused of fraud was hardly the most effective spokesperson.	As much as it may be counterintuitive to your efforts at containment, bringing out -- or at least leaking the opinions of -- the big guns may be your most effective tactic. Clearly, using the head of the local office in this case was inappropriate.
Communication of key messages	D	Unfortunately, Graham's memo surfaced a little late in the process for the agency to get the message out that fraudulent billing practices went against the ethical and moral codes of conduct for the agency.	Get your messages out via the most credible spokesperson as early in the process as you possibly can.
Management of negative messages	F	Clearly, the L.A. Attorney General's office was driving the discussion, because most of the stories were generated in response to press releases from that office. It didn't help that a mayoral election was underway and that this particular scandal regularly surfaced as a campaign issue.	Remember that, in any crisis, there are two sides, and you can count on your enemies to make the most of them. Sometimes your competitors will boldly take advantage of your crisis, as Sun Microsystems did when it circulated a press release saying it would capitalize on market confusion following the departure of Hewlett-Packard's CEO. In other cases, there may be an aggressive D.A. looking for re-election. Either way, you need to put yourself into the head of the enemy and figure out what its next moves might be.
Impact on clients	F	It's one thing to hide who is paying for your press releases; it's very different to be accused of fraud. If I were a Fleishman client, I'd be going over every bill with a microscope and an accountant by my side.	Take action early to distance yourself as far as possible from those accused. It is astounding that no heads rolled until just before the indictment was announced.
Impact on shareholders	C	The long-term impact of the scandal on the PR profession still is not known, but when the local government bans PR contracts all together, shareholders have to be concerned. Of course, given that Omnicom owns both Ketchum and Fleishman, shareholders may be a bit distracted by the more visible crisis.	Chances are good that your shareholders will be among the first to pay attention to your crisis. And if they want more information, they'll go to your Web site first. Needless to say, you won't find any information on the Web site, but you will find information on its new "Government Marketing" practice. Not a good idea when the city of L.A. is kicking out all PR agencies because of problems with your billing.
Impact on employees	F	Employees were among those accused of fraud and, until the entire story comes out, many will be unfairly tainted by the scandal.	When your chief assets are your employees, you should make every effort to shield them from the damage a crisis can inflict.
Overall score	C+	I give Fleishman high marks for cooperating with the investigation, but I knock off a point for every "no comment."	When investigations are ongoing, it's easy to justify not commenting. Just beware of the consequences.

PR Job Outlook:

Ahead of Marketing, Below Finance... While the job market for PR has in the last few years been on the sluggish side, the rest of the decade is quite promising for a PR career. The latest issue of *Fortune* (March 21) features "Hot Careers for the Next 10 Years," listing the 20 Fastest-Growing Professional Jobs. (PR lands in the eighth slot.) To come up with the list, *Fortune* took **Bureau of Labor Statistics** projections from 2002 to 2012, then eliminated blue-collar and relatively "uncommon jobs," or jobs that employed fewer than 1,000 or so people nationwide in 2004. Here's how PR stacks up against some other "hot" careers:

Fastest-Growing Professional Jobs – Better Than 20% (sample)

- Environmental engineers: 54.3%
- Personal financial advisors: 36.3%
- Biomedical engineers: 27.8%
- **PR specialists:** 27.8%
- Systems analysts: 24.9%
- Marketing and sales managers: 21.3%
- Media and communications specialists: 20.4%
- Lawyers: 20.4%

Overheard

A Big Slice Of Humble Pie

"The institutional and investor communities want CEOs who are more likely to fly under the radar, eschewing personal acclaim in favor of team-building and corporate success. In demand are corporate leaders who don't think of themselves as the soul of their company, but who do their part to help create a company with a soul."

— Arthur Levitt Jr., former chairman of the **Securities and Exchange Commission**, in an Op-Ed piece in the *Wall Street Journal* (March 17) titled, "The Imperial CEO Is No More."

► **PR MOVERS**

► **Bank Rhode Island** — Marie T. van Luling (ex-**Manning Selvage & Lee/Aetna Life & Casualty**) has joined the Providence, R.I.-based bank as senior vp/marketing and corporate communications. She will be responsible for managing all communications for the company. Bank Rhode Island is a wholly owned subsidiary of **Bancorp Rhode Island Inc.**... **Contact:** Jim DeRentis, 401.456.5015, jderentis@bankri.com

► **Burson-Marsteller** — Liz Van Lenten, who previously ran her own marketing communications firm, has been tapped for managing director of Burson's Brand Marketing Practice in Chicago. She'll be responsible for client management and for driving strategy for the agency's food, beverage and consumer packaged-goods accounts... **Contact:** Jennifer Norton, 212.614.5243, Jennifer_Norton@nyc.bm.com

► **Equity Office Properties Trust** — Elizabeth Coronelli (ex-**General Growth Properties Inc.**) is the new senior vp/investor relations for the Chicago-based realtor. Coronelli, who also will head the company's PR, will deal directly with Wall Street analysts, institutional investors and other shareholders... **Contact:** Melissa Shubalis, 312.466.3460, Melissa_shubalis@equityoffice.com

► **Hill & Knowlton** — Two new appointments for the agency's Washington, D.C., office: Hadassah Lieberman (wife of Sen. Joseph Lieberman [D-Conn.]), whose career spans three decades in health-care communications, has been named senior counselor in the Health & Pharmaceuticals Practice, while former CNN health reporter Jeffrey Levine has been tapped as senior vp

of Healthcare Media Relations. Lieberman will serve as a strategic counselor on healthcare policy and public-health initiatives while Levine will work directly with healthcare editors, reporters, *et al.*... **Contact:** Lisa Dreisch, 202.944.5158

► **Lipman Hearne Inc.** — Peter Coffey, who most recently served as a senior advisor in Barack Obama's successful campaign in Illinois for the U.S. Senate, has been named senior vp of the firm's public-affairs practice in Chicago. Coffey's marching orders? Build up the Chicago office of Lipman Hearne, one of the nation's largest communications firms specializing in the non-profit sector... **Contact:** Keith Romero, 312.356.8000 x270, kromero@lipmanhearne.com

► **LVM Group Inc.** — Executive VP Jeannette Boccini (ex-**Sonnenblick-Goldman Co.**) is the latest principal of the New York-based PR agency. Boccini, a 17-year PR veteran, joined LVM Group in 2001... **Contact:** David Grant, LVM president and founder, 212.499.6565, david@lvmgroup.com

► **Manning Selvage & Lee** — The agency's Boston office has expanded its healthcare and consumer practices with the appointments of Jeffrey Tarmy (ex-**Biopure Corp.**) as vp in the healthcare group and Daniel O'Neill (ex-**The Brownstein Group**) as senior account supervisor in the consumer group. Tarmey will manage global and local communications programs for **Philips Medical Systems** and **BioSphere Medical**; O'Neill will focus on brand marketing, strategic communications and media relations for **Hasbro Inc.**... **Contact:** Deirdre Dapice, 212.468.3406, Deirdre.dapice@mslpr.com

► **New School University** — Nancy Donner (ex-**New York Public Library**) has joined the New York City-based university as vp/communications and external affairs. She'll oversee marketing, advertising, publications, graphic design and PR for the university and its eight academic divisions... **Contact:** Gloria Gottschalk, 212.229.5667 x3547, gottschg@newschool.edu

► **Restaurant Associates** — Restaurant Associates – Patina Group, a bi-coastal group representing world-famous properties in New York and Los Angeles (**The Sea Grill, Brasserie**) has appointed Julie Priceman (ex-**Disney, PBS**), as senior vp/marketing and communications. In addition to being responsible for the management of the Restaurant Associates-Patina Group brand, Priceman will oversee all marketing, communication policies and strategic positioning... **Contact:** Kay Nelson, 212.789.7911, knelson@restaurantassociates.com

► **Vollmer Public Relations** — Two promotions at the largest independent PR agency in the Southwest: Denisha Stevens, formerly senior vp and general manager of the firm's Dallas office, has been promoted to executive vp; and Janelle O'Haugherty has been promoted to vp from an account director. Stevens will continue to provide strategic and operational counseling to accounts serviced from the Dallas office, while O'Haugherty now will direct PR strategy for the **HQ Global, Guest Bridge** and **Dallas Social Venture Partners** accounts as well as being part of the firm's new business-development efforts... **Contact:** Kristi Manning, 972.488.4790, Kristi@vollmerpr.com