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corporate people

Doke Leaves American Airlines for New Role at Dell; Whitcomb Steps Up

ROUND ROCK, TX—As bankruptcy rumors swirl around **American Airlines**, vice president of corporate communications Tim Doke—named PR professional of the year last year by the Public Relations Society of America—is leaving the company to become vice president of communications at **Dell**, although he will continue to work with American through a transition period.

American has named Gus Whitcomb, currently managing director of strategic communications at the company, acting managing director of corporate communications. Whitcomb joined American in 1993 after serving as manager of public relations at Aloha

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agency news

Weber Shandwick Forms New Unit as Grassroots Team Heads for Edelman

WASHINGTON, D.C.—With public relations firms in the nation's capital moving to offer more full-service solutions, **Edelman** has created a new grassroots and grass-tops practice, recruiting Brian Lunde and George Burger—along with a team of four experts—away from **Weber Shandwick**. The Lunde & Burger firm was sold to Weber Shandwick four years ago, and is believed to generate about \$5 million in revenues.

Weber Shandwick, meanwhile, is establishing a new, integrated grassroots division that will be known as Powell Tate Constituent Action Network.

“Over the last few years we’ve been on the lookout for pro-

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book review

How and Why to Build CEO Capital

Over the past few years, **Burson-Marsteller** has contributed significantly to the body of public relations knowledge through a series of research studies looking at CEO reputation and its contribution to broader corporate reputation. Those studies have found a significant—and growing—correlation between the credibility of the chief executive and reputation of his or her organization.

The principal architect of that research is Leslie Gaines-Ross, B-M's chief knowledge officer, who joined the firm after serving as director of marketing and communication at Fortune magazine, where she was closely involved in the publication's Most Admired Corporations research. Now she has written a book, *CEO Capital: A Guide to Building CEO Reputation and*

Company Success, that builds on Burson's research and lays out a roadmap for CEO's who understand the increasing importance of both personal and institutional credibility.

CEO reputation, she says, is dependent upon three “C” factors—credibility, code of ethics, and communicating internally—and two “M” factors—attracting and retaining a quality management team and motivating and inspiring employees.

“So important are the CM factors that each one surpassed even wealth creation in importance according to the 2001 Burson-Marsteller study,” she writes. “Of the 16 CEO characteristics included in the 2001 survey... the harder financially driven characteristic of ‘increasing share-

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CEO Credibility Is Key to Corporate Reputation; Here's How to Build It

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holder wealth' showed up as a less important driver than any of the CM factors.... Evidently, financial performance is important, but simply not enough."

Gaines-Ross makes a compelling case that building CEO capital is not about ego, but about good, old-fashioned leadership. And she shows that it has payoffs for the organization. According to Gaines-Ross, CEO capital:

- Has a direct positive impact on a company's reputation and success;
- Produces clear, discernible and valuable payoffs;
- Matters to an unprecedented number of influential constituencies; and
- Affords more time to develop long-term solutions in a fast-paced business climate.

But before embarking on what Gaines-Ross calls "the CEO capital model of building reputation," the CEO must buy into the importance of building his or her personal credibility.

"The CEO must come to terms with the idea of being the ultimate spokesperson for the organization, the embodiment of the brand, and the official storyteller who knits together the company's past, present and future. The same goes for the board of directors. Does the board agree that the CEO must spend a fair portion of time building trust, setting standards, and openly communicating to stakeholders and shareholders alike?"

The notion of "CEO capital" is not uncontroversial, she concedes, perhaps because it is too often approached in a superficial manner.

"Some CEOs balk at what they consider a mere make-over. Some claim they do not harbor a big enough ego to recast a company in their image. Others dismiss the notion on the grounds that the board did not hire them to engage in personal image building. Some decline, pointing to particularly visible CEOs in their industry and disparaging these celebrity CEOs as being star struck and shameless."

Some of these concerns have a little more authority today than they might have a couple of years ago. Many high-profile, celebrity CEOs have fallen to earth in recent months, caught up in corporate scandals that seemed to be largely a product of their own overblown egos. As a result, "the media is abuzz about how the concept of the celebrity CEO is dead," as Gaines-Ross acknowledges.

"Where the media and pundits go wrong is to confuse the recently much maligned, media-hyped large 'C' Celebrity CEO with the small 'c' celebrated CEO, who

by dint of strong leadership, discriminating vision, force of character and other admirable traits become celebrated by their employees, their industry, their peers, and occasionally even the media for jobs well done."

Celebrity CEOs, by contrast, are "a fashion statement, going in and out of favor as the winds of popularity blow this way and that, praised when things go right and condemned when things go wrong."

The most practical section of the book, based upon B-M's "Seasons of a CEO" research, provides a roadmap for a new CEO seeking to build credibility inside and outside the organization.

That task begins in the countdown period, before he or she takes office. Says Gaines-Ross, "The countdown is a time to cherish—a time when a CEO may quietly plan for the future, contact key shareholders, research the company, and do all those innumerable tasks for which there will be so little time later." While many CEOs—particularly those who take the reins after an unexpected crisis—don't get much of a countdown, an orderly succession should allow for at least 60 days but no more than 18 months between the announcement and the transition.

That allows the new CEO to accomplish several key goals: getting a transition team on board; letting it be known that an orderly transition plan is in place; addressing the reasons he or she was chosen for the job; describing what will remain the same and what will be changed; drawing up a chart to prioritize stakeholders; and finally, communicating.

The first 100 days of a CEO's tenure are equally critical, and a time when the focus should be inward rather than on external audiences.

"At one time, CEOs seemed almost to forget that their companies had any employees other than their direct report," says Gaines-Ross. Today, most CEOs recognize that employee communication—building morale, aligning employees behind a single vision—is one of the most critical challenges they will face. A B-M study found 75 percent agreeing that it was extremely important to communicate to employees, compared to just 44 percent who felt the same way about the financial community, and 5 percent who rated the media so highly.

"Even if a CEO has spent time and effort reaching out to employees before assuming leadership, more communication, especially of the bi-directional type—talking instead of listening—is needed once in of-

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CEO Credibility Is Key to Corporate Reputation; Here's How to Build It

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fice.... The best CEOs listen carefully... and above all, make a point of not shooting the messenger.”

She points to Raymond Gilmartin who—when he took over as CEO of Merck & Co.—asked employees point blank: “If you had my job, what would you do?” Carly Fiorina at Hewlett-Packard, meanwhile, suggested that employees make a list of the “10 stupidest things” that HP was doing and e-mail it to her. Fred Hassan at Pharmacia took a more personal approach, flying to Stockholm, Milan, London and Kalamazoo shortly after taking office and making notes as he chatted with employees.

“Most CEOs are surprised to learn how much time, effort and resources must be spent communicating internally,” Gaines-Ross says. “The importance of external communications seems obvious to most. The Wall Street Journal, analysts’ calls, and trade publications all require attention. However, internal communications, directed toward the organizations managers and employees, demand far more of a CEO’s time than do high-visibility contacts with outside audiences.”

Indeed, B-M’s research finds that senior executives recommend a CEO should allocate no less than 53 percent of his or her time to internal communication.

Other priorities in the first hundred days include reconstituting the senior team; setting an agenda; tending to the board; and declaring what matters. “The new chief executive must come up with a few clear ideals of themes that guide the organization during the first hundred days,” says the author. “Detailing how one’s theme is to be put into practice is not yet necessary. What is required is a definite, articulate expression of values. The thematic stamp sets before employees a roadmap of desirable actions and attitudes.”

The media should be low on the list of priorities for a new CEO during the first 100 days, says Gaines-Ross. “Media exposure without full opportunity to gain a thorough understanding of corporate workings is an invitation to disaster.”

As the first year progresses, the focus slowly shifts. “The CEO must establish a unique corporate persona in which the CEO’s every action and deed reflects in some way the corporate values the CEO wishes to advance and the vision the CEO wishes to instill.”

The first step is to engage in what Gaines-Ross calls “intense learning,” from customers, from analysts, from alumni, from employees. Then, she says, CEOs can cultivate a persona, establishing those values that will drive the company, articulating a code of ethics.

“Being high-profile and larger than life is not by itself an inherent good,” she warns. “A good CEO persona develops meaning only if it attains worth, not by winning mere media attention, but by standing for something that is believable and knowable and that embodies a company’s values, beliefs, and operating tenets. The CEO persona must grow from within and be sustainable.”

The second year of a CEO’s tenure can be even more challenging because, as Fiorina says, “this is when the change really gets binding.” It’s also when stakeholders, including the board of directors, start to expect real, measurable results. The CEO needs to demonstrate the company’s new strategic vision, put stakeholders at ease—show them both financial results and a unified management team—and start to plan for the future.

The CEO also needs to demonstrate what Gaines-Ross calls thought leadership, something that “distinguishes and differentiates a company from its competitors.... Thought leadership often breaks with business or industry convention, astonishes if not startles. Thought leadership reflects on the company and builds CEO capital.”

One example is Fiorina’s World e-Inclusion program, which involves selling or donating HP products to governments, development agencies, and nonprofits in developing countries. Another is the acknowledgement, by BP’s John Browne, of the oil industry’s role in global warming.

(This is one of several sections that makes this book a good companion piece of Jeffrey Garten’s *The Mind of the CEO*, which examines many of the critical issues keeping modern chief executives awake at night.)

Gaines-Ross ends the book with two appeals. The first is for a longer CEO timetable. B-M’s research has shown that all stakeholders expect more of CEOs, and faster. But “the trend toward increasingly shorter CEO tenures is undermining business productivity and focus,” says Gaines-Ross. “Fewer CEOs seems to make it past the five-quarter mark and even fewer beyond their three-year anniversary. Such instability irrevocably and adversely affects a company’s reputation and destiny. Chief executive departures have substantially adverse consequences, affecting too many employees, customers, partners, and investors.”

The second appeal is related, a call for a longer-term view.

“As spectators,” she says, “we must not judge CEOs

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knowledge

Opinion Leaders Trust Earned Media Over Paid, Survey Finds

An overwhelming majority of opinion leaders in both the U.S. and Europe consider public relations more credible than advertising, according to the latest Edelman survey on trust and credibility. In the U.S., 86 percent of respondents agreed that “I believe the information I get from articles and news stories more than I believe the information I get from advertisements,” while in Europe 83 percent agreed.

In both the U.S. and Europe, more than 35 percent stated that “experts” and those who are seen as having no vested interest in the welfare of the company—academics, doctors and representatives of NGOs—are among the most trusted spokespersons. Fewer than two in every 10 people said that paid representatives, such as company spokespeople or entertainers/athletes, are credible sources of information.

“This study underscores the importance and influence of media coverage,” said Geoffrey Cowan, Dean of the Annenberg School for Communication at the University of Southern California. “The news media carries a high degree of credibility with opinion leaders, who are eight times more likely to believe information they receive from the news media than from advertising.”

More than 44 percent stated that articles in business magazines and newsweeklies are the most credible sources of information, both of which topped the list across the U.S. and Europe. Corporate advertising and product or service advertising were rated the least credible source of information (5 percent in the U.S.).

In the U.S. and Europe, information derived from independent parties, including colleagues (38 percent+), friends and family (35 percent+), and analysts’ reports (26 percent+) are perceived to be far more credible sources than information from corporate advertising (5 percent) and websites (13 percent).

“This is the first study to clearly demonstrate that you can’t buy credibility through paid media, you have to be credible through actions and transparent, open communications, conveyed through media by independent advocates,” said Steve Lombardo, CEO of Edelman’s StrategyOne research unit.

The survey also found, surprisingly, that trust in business in the U.S. has risen in the past six months despite the recent wave of corporate scandals, while European confidence in business has declined. Almost half (48 percent) of U.S. opinion leaders expressed trust in business, an increase from the 41 percent recorded in the June 2002 survey. Europeans’ trust in

business declined from 43 percent in June 2002 to 35 percent today.

Trust in the U.S. government fell dramatically from a post-9/11 high of 48 percent in January 2002 to 39 percent today, while trust in government in Europe remained quite low at 25 percent, down from a peak of 36 percent in June 2001. NGOs are now the most trusted institution in Europe—increasing from 42 percent to 45 percent -- and in the U.S. they are at parity with business, increasing from 38 percent to 49 percent in the past six months.

Says Richard Edelman, president and CEO of Edelman. “Trust in U.S. business is improving because corporations have been taking steps to restore confidence, and there is new legislation like Sarbanes-Oxley, while trust in government in the U.S. is eroding to pre-9/11 levels. At the same time, there is a trust void in Europe, as confidence in business ebbs and trust in government remains low.

“NGOs are now firmly established as the Fifth Estate in global governance, rivaling the credibility of revered corporate brands and filling a trust vacuum in both the U.S. and Europe.”

“Positive attitude towards business are not universal but rather varies sector-by-sector, with resid-

Building CEO Capital

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solely by their most recent failure but by both their conquests and their collapses... Not to do so is to discourage risk-taking and creativity.... CEOs should be allowed to take reasonable risks, to be allowed to make mistakes that do not have significant implications for the company.”

In *CEO Capital*, Gaines-Ross has provided a primer on reputation building targeted squarely at CEOs, and built a formidable case that particularly in the post-Enron world, CEOs need to invest in their own reputations in order to build those of their organizations. This is substantial addition to the literature of our profession, a manifesto supported by compelling original research and informed by intelligent, sympathetic analysis. It is also a rare book about public relations that preaches not to the choir but to the choirmasters.

CEO Capital, by Leslie Gaines-Ross, is published by Wiley.

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ual concerns about the industries that are in the forefront of recent scandals,” commented Richard Breeden, chairman of Corporate Governance Advisors at Edelman and the former chairman of the U.S. Securities and Exchange Commission.

In the U.S., consumer package goods, durables and technology scored more than 65 percent on trust, while scandals and criminal investigations have contributed to making energy, telecommunications, and professional services the least trusted industries, all of which scored less than 38 percent. In Europe, consumer durables, healthcare and airlines are the most trusted, registering 54 percent, while investment/insurance and retail financial services are the least trusted, scoring less than 40 percent.

Other findings from the new study include:

- 71 percent of opinion leaders in the U.S. and 57 percent in Europe trust the company they work for, while only 31 percent in the U.S. and 28 percent in Europe trust global corporations.

- In Europe, the four most trusted brands are NGOs (Amnesty, World Wildlife Fund, Greenpeace, and Oxfam). Although their trust levels declined slightly, they continue to be rated higher than the top-rated corporations (Microsoft and Bayer) by a margin of more than 10 percent.
- In the U.S., the gap between the most trusted brands-Johnson & Johnson, Coca-Cola, Microsoft, Ford, McDonalds, Bayer, and Pfizer (greater than 50 percent)-and the top NGOs is closing (with top NGOs now scoring between 40 and 50 percent).

Trust in certain American brands, such as McDonalds (55 percent in the U.S.) and Coca-Cola (66 percent in the U.S.) is significantly lower in Europe, where McDonalds is at 22 percent and Coca-Cola is at 37 percent.

MOST TRUSTED IN U.S.		
1.	Johnson & Johnson	69%
2.	Coca-Cola	66%
3.	Microsoft	59%
4.	Ford Motor	56%
5.	McDonald’s	55%
6.	Bayer	54%
7.	Pfizer	52%
8.	World Wildlife Fund	49%
9.	Merck	47%
10.	Nike	47%

MOST TRUSTED IN EUROPE		
1.	Amnesty Int’l	62%
2.	World Wildlife Fund	62%
3.	Greenpeace	51%
4.	Oxfam	49%
5.	Microsoft	47%
6.	Bayer	42%
7.	Ford Motor	38%
8.	Coca-Cola	37%
9.	BASF	36%
10.	Unilever	34%

QUALITY REPUTATION
(10 CONSECUTIVE YEARS)

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SOURCE: 2002 THOMAS L. HARRIS/IMPULSE RESEARCH SURVEY RESULTS.

Weber Shandwick Forms New Unit as Grassroots Team Heads for Edelman

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professionals who could bring best-of-class grassroots and grasstops to our operation, at the same skill level as the rest of our practices,” said Leslie Dach, vice chairman of Edelman. “I feel very confident that we have successfully accomplished this effort, which will serve to further cement our leadership in public affairs throughout Edelman’s national and international network, and enhance our PR-centric approach.”

Lunde and Burger are known for their work in grasstops advocacy and have pioneered programs at the attorney general level and in employee political grassroots. Brian Lunde has over 20 years of campaign management and grassroots organizing experience, while George Burger is a veteran issue strategist, campaign manager and political consultant who was director of operations for Reese Communications in the early 1980s. They have worked with clients including Andersen Consulting, SmithKline Beecham, Aetna, TWA, The Business Roundtable, and Kodak.

Joining Lunde and George Burger in the move are Timothy Binning, Cara Cromwell, John Dunagan and Michelle Neuman.

Robert Hoopes, a senior vice president at Powell Tate, will head the firm’s new Constituent Action Network, which “represents a unique bipartisan, multi-disciplinary approach to grassroots advocacy, providing clients with access to the full range of grassroots organizing and communications capabilities needed to create local support for state and national policy initiatives.”

The Network’s services include

messaging, targeting, grasstops, coalition building and management, local media outreach, political intelligence, advocacy advertising, direct mail and phone banks.

Hoopes, who has headed grassroots organizations for the Independent Insurance Agents of America and, will be joined by Gail Harrison, head of Powell Tate Weber Shandwick’s coalition and ally development division, who will serve as senior strategist to the Network. Also serving as senior strategist is Tim Ryan, who recently served as executive director of Citizens for Better Medicare.

“Our approach is unique in the industry,” said Mr. Hoopes. “Businesses and associations interested in advancing their public policy positions can turn to a single source for the capabilities, expertise and integrated know-how necessary for success in the current political climate.”

Ogilvy Introduces Motor Sports Specialty Unit

CHARLOTTE, N.C.—Ogilvy Public Relations Worldwide has launched the Ogilvy PR Motorsports Group, a new unit based in Charlotte and staffed by experts who will help sponsors, teams and series maximize the return on their motorsports marketing investments.

Heading the group is Len Batycki, former head of Strategic Advisors, a motorsports consulting firm offering marketing, sponsor negotiations and public relations services. Prior to forming Strategic Advisors, Batycki was with Richard Childress Racing, where he handled marketing, licensing and sponsorship duties for Dale Earnhardt and his team, and managed hospitality, signage, security, construction and most other speedway business is-

ues for the North Carolina Motor Speedway at Rockingham.

“Motorsports sponsorship has become an integral part of the marketing mix for many of America’s leading corporations,” said Rich Bartecki, senior vice president of Ogilvy PR Chicago and group director of the motorsports unit. “As racing has grown dramatically in popularity, clients have increasingly begun to express interest in sponsorships, and are also seeking help in evaluating whether or not a motorsports sponsorship can adequately reach their target consumer and deliver sufficient return on investment.”

Bartecki says the unit will offer services including sponsorship negotiations, media relations support, management and coordination of special track-side and remote events and ongoing measurement. Ogilvy PR has prior motorsports experience with Snap-on Tools, the International Race of Champions, and teams and sponsors involved in the NASCAR Winston Cup and Busch series, Championship Auto Racing Teams and the International Hot Rod Association (IHRA).

Creaxion’s Niche Strategy

ATLANTA—Integrated marketing firm **Creaxion** has formed a specialized practice targeting niche—or segment—markets. Initially, the firm will focus on growth segments including luxury brand buyers, gay and lesbian consumers, and youth.

“In looking for ways to further distinguish our agency, we thought it only natural to build on the success we’ve enjoyed with a number of key clients and to tap into the diversity of our own employee base,” said Mark Pettit, president and CEO. “We tested the concept with clients and the response was overwhelmingly positive.”

agency news

Publicis Dialog Launches New Nutrition Marketing Research Institute

SEATTLE—Publicis Dialog, long known as a leader in the food-marketing sector, has launched a new research institute to discover better ways for food marketers to communicate nutrition issues to consumers and nutrition influencers.

The new unit, called the Nutrition Marketing Research Institute, is based in the agency's Seattle office and headed by Steve Bryant, who also serves as the network's chief creative officer and president of the Seattle office. Its activities will be informed by an advisory board of nutrition experts and guided by a board of the firm's own nutrition and health-marketing experts.

That board will include Clare Hasler, assistant professor of nutrition in the Department of Food Science and Human Nutrition at the University of Illinois; Jackie Newgent, a New York-based registered dietitian and chef; and Barbara Schiltz, a clinical research associate at The Functional Medicine Research Center.

"Nearly every food marketer is trying to understand the best way to manage and benefit from nutrition issues for their food brand or agricultural product," said Bryant. "Until now, we've defined the principles of nutrition marketing largely by experience. This initiative will allow us to better assess what's working for the industry and what's not, test our theories, and open up new avenues for nutrition message development."

The NMRI plans to undertake a major research project each year and to share the results openly with food and health companies. Its first

study will assess trends in the media coverage of obesity and weight loss issues.

"News coverage of weight loss and obesity issues was once largely confined to January and 'swimsuit season,'" says Bryant. "Increasingly, it's commanding the attention of consumers and media all year long." The study will involve statistical analysis of news databases as well as analytical reading of selected major media coverage for the last three years.

The agency's food marketing experts include Hannah Coan, director of client services, who oversees branded food communications; John Bissell, group management director for food commodities; and Michelle Babb, senior account supervisor and a nutrition marketing specialist. The firm has won national awards for its work on behalf of the United Soybean Board and was recently cited in the New York Times for its work on behalf of the Cranberry Marketing Committee to broaden awareness of the health benefits of cranberries. Other clients include The Hazelnut Council and several Nestle brands.

Consumer Boutique Joins International Network

NEW YORK—Consumer lifestyle public relations boutique Lisa Lori Communications has joined the **International Public Relations Network**, a worldwide organization of independent public relations firms and consultants. Based in New York with an office in Los Angeles, LLC handles public relations for clients from the beauty, fashion, food, wine and spirits industries, and is one of five U.S. agencies to be accepted into the network, which includes more than 30 firms on five continents.

Says LLC president Lisa Lori, "This group has created an impressive network of professionals that are at the top of their game and we look forward to collaborating with other members on global projects. This is an excellent opportunity for us to better serve our current clients on a global level and grow our international client base."

IPRN was founded in 1995 and is led by Jonathan Choat, head of **Nexus Choat** in London. Other U.S. members include Dix & Eaton of Cleveland, **PRx** of San Jose, Boston-based Stringer, and **Auto-Com** of Detroit.

"We are looking to expand our network within the USA and in Europe and the Far East in order to provide all our members' clients with immediate access to different markets and special expertise within these," says Choat. "We are all about 'local knowledge, global reach' and we are very pleased to have Lisa Lori within IPRN to add her New York style and consumer market experience."

NEW YORK—**The Anne McBride Company** has formed a partnership with **FBI Communications**, a leading Japanese investor and public relations firm, in a strategic move to broaden the company's presence in Asia. The firm established a Japanese office, led by managing director Satoshi Shimomura, in September 2002.

According to Shimomura, "Although there are some database services in Japan that help target US investors, there are currently no services entirely tailored for Japanese clients. The Anne McBride Company is filling that niche. We have developed services that enable Japanese firms to understand the trend and characteristic of US investors whose focus is on Japan."

agency people

PN Consolidates Public Affairs Operations Under Lucas' Leadership

NEW YORK—Porter Novelli is integrating its various public affairs operations—including the former **Nelson Communications Group** and **Goddard Claussen** operations in California, acquired by Porter Novelli in 1999—into a single practice, Porter Novelli Public Affairs.

By creating one practice, PN says it can now provide integrated public affairs solutions under one roof, supported by the other leading practices at the agency. Partner and executive vice president Donna Lucas, who previously served as CEO and president of NCG Porter Novelli, has been named leader of the new practice.

“Over the past several years, we have pursued a strategic vision to build a formidable public affairs presence on both coasts,” said Helen Ostrowski, global CEO. “By leveraging the excellent reputations and offerings of our three public affairs teams, Porter Novelli is able to offer seamless, comprehensive public affairs service throughout the U.S. Donna’s proven track record of leadership and success at NCG, and her reputation in the public affairs arena make her the perfect choice to lead our public affairs practice.”

PNPA has represented clients including The Business Roundtable, The Health Benefits Coalition, Pharmaceutical Care Management Association, Mortgage Insurance Companies of America, the Coalition for Affordable and Reliable Energy, and Japan Automobile Manufacturers Association.

Lucas, meanwhile, has advised clients ranging from major corporations and non-profits to labor un-

ions, political campaigns and large associations and currently serves as chairman of the American Association of Political Consultants. Before joining Nelson, she served as a press secretary to Governor George Deukmejian, and director of public affairs at the California Treasurer’s Office.

Other members of the public affairs team include Carolyn Tieger, who opened GCPN’s Washington office and previously held leadership posts on Capitol Hill, in the White House and at international public relations firms; Roger Lowe, who heads the public affairs practice Washington, replacing Suzy DeFrancis, who accepted a position with the White House; Frank Schubert, who leads the GCPN Sacramento office; Michael Kehs, COO of GCPN’s Washington office, and a 20-year veteran of complex issues management, crisis and advocacy campaigns; Karen Hutchens, senior vice president and general manager of PN San Diego; Linda Martin, general manager of PN’s Orange County office; and Bill Schreiber, who recently moved from senior vice president to acting general manager of PN Sacramento.

Hill & Knowlton Allies with Independent Firms for Diversity Push

SAN FRANCISCO—International public relations agency **Hill & Knowlton** has joined forces with independent and minority owned agencies **Headquarters Advertising**, **SAESHE Advertising** and **The Walker Marchant Group** to form **DIVERSAlliance**, which will focus on multicultural communications.

Headquarters, which is based in San Francisco, and Los Angeles-based SAESHE have previously

worked with H&K’s L.A.-based diversity communications group on social marketing assignments including the BabyCal, Healthy Families and Teen Pregnancy Prevention campaigns for the California Department of Health Services. In addition, HeadQuarters and Hill & Knowlton are partners on the award-winning Pacific Gas and Electric Company (PG&E) CARE campaign, which targets ethnically diverse, low-income consumers

And H&K’s D.C. office has collaborated with The Walker Marchant Group, which was launched two years ago by former Weber Shandwick exec Ann Walker Marchant.

“DIVERSAlliance allows Hill & Knowlton to expand its already considerable expertise to better serve our clients and the growing diversity market,” said MaryLee Sachs, president and CEO. “Virtually overnight, we have deepened our client services with a combined team of 560 talented professionals in multicultural marketing and corporate communications.”

Multicultural consumers today comprise one in every four U.S. residents, and according to the Selig Center for Economic Growth, the combined purchasing power of the African-American, Asian American, Hispanic and Native American consumer markets is \$1.6 trillion in 2002.

HeadQuarters, SAESHE and The Walker Marchant Group are not affiliated with WPP, Hill & Knowlton’s parent company. The alliance marks the first time H&K has taken part in a partnership not centered around a specific account.

For news updates throughout the week, plus our new PR Weblog, visit us online at www.holmesreport.com

accounts

Weber Shandwick Adds Suave to Its Growing Unilever Client Portfolio

CHICAGO—Weber Shandwick has been named agency of record for Unilever's Suave brand of personal care products. Suave is the seventh Unilever brand assignment picked up by the agency over the past 18 months. Other Unilever brands represented by Weber Shandwick include all laundry detergent, Q-tips, Mentadent toothpaste, ThermaSilk hair care products, Degree anti-perspirant, as well as the Bestfoods brand Ragú.

The Suave name has a 60 year heritage, and Suave products were purchased by 61 percent of American households each year. The brand encompasses more than 300 personal care products including hair care, anti-perspirants/deodorants, facial care, body washes, body scrubs, bar soaps and hand and body lotions.

"We were impressed with the strategic thinking, creativity and energy Weber Shandwick brought to the table," said Michelle Holland, director of PR for Unilever home and personal care brands. "The firm has done very good work for our other brands and we're delighted to have them as a part of the Suave team."

Weber Shandwick's co-presidents of consumer marketing Gail Heimann (in New York), and Cathy Calhoun (in Chicago), lead the Unilever account. "It's rewarding to work with a company that really sees the value of public relations and uses it strategically to achieve its objectives," said Heimann. "We're so pleased to be deepening our relationship with Unilever."

LOS ANGELES—Beverly Hills Conference and Visitors Bureau,

a division of Beverly Hills Chamber of Commerce and Civic Association, has selected Weber Shandwick as its agency of record. The firm's travel and lifestyles practice will be responsible for implementing a multifaceted communications program to promote the city as a world-class business and leisure destination. The program will also include marketing partnerships and promotions, media relations and special events.

"As a full-service communications agency, Weber Shandwick gives Beverly Hills access to the resources that will raise our destination's visibility beyond editorial pages," said Kathryn Smits, director of the Conference and Visitors Bureau. "Those resources, combined with the expertise of the travel and lifestyles practice, were with what we were looking for in an agency."

LONDON—Movie stars Catherine Zeta Jones and Michael Douglas have retained Weber Shandwick to provide media relations assistance as they prepare for a high court showdown with *Hello!* Magazine.

Former Sunday Times political editor Michael Prescott is leading a Weber Shandwick team that will handle the media during the trial, which is expected to last up to three weeks. The two celebrities and the publisher of OK! magazine, Northern & Shell, are suing Hello! for more than £2m after the magazine's photographers snuck into the couple's wedding after OK! had already negotiated a deal for exclusive right to wedding pictures.

BLOOMINGTON, MN—MarineMax, one of the nation's largest recreational boating retailers, has selected Weber Shandwick as its public relations agency of record. The firm will build regional and national brand awareness and

provide strategic consumer marketing services.

Johnny Rockets Chain Taps CarryOn

ALISO VIEJO, CA—Johnny Rockets, parent company to 142 corporate and franchise-owned restaurants in 28 states and seven countries, has retained CarryOn Communication to lead the company's 2003 national and international communication initiatives. Los Angeles-based CarryOn will handle all public relations and corporate, crisis and marketing communication efforts for Johnny Rockets and its franchisees.

"CarryOn impressed us with its strategic thinking, superior execution and the outstanding results it has generated for clients in the past," said Mimi Schiffer, Johnny Rockets' senior vice president of marketing, crediting "the firm's brand and positioning know-how combined with its excitement for the Johnny Rockets brand."

Johnny Rockets plans to expand its domestic and international reach to meet an aggressive unit growth plan of 20 percent per year.

The Johnny Rockets account will be led by J.P. Schuerman, CarryOn's vice president and head of the company's consumer and technology practice.

SANTA BARBARA—California communications firm Davies has been selected to provide marketing, public relations, and fundraising support for the Tiger Woods Foundation. The firm will develop strategic communication programs for the new Tiger Woods Learning Center in Orange County, including collateral materials to support the fundraising effort and ongoing marketing and public relations support.

accounts

Hill & Knowlton to Assist Avaya as Troubled Telco Seeks to Build Brand

NEW YORK—Avaya, a leading global provider of communications networks and telecommunications services to businesses, has tapped **Hill & Knowlton** for strategic public relations initiatives. H&K takes over from **Edelman** as Avaya's lead agency.

Hill & Knowlton's experience in strategic communications and in working with the business media in the technology and communications industry were key factors in Avaya's decision, according to vice president of corporate marketing and communications Lydia Whitefield.

"As Avaya works to transform business through communications, we needed a partner that truly understood the opportunity the market provides us and also has the strategic expertise to execute," said Whitefield. "Hill & Knowlton has the smart, creative team to take our public relations activities to a level that further impacts our business."

Avaya, which spun off from Lucent Technologies in 2000, lost \$37.6 million in its first fiscal quarter. It recently launched a new corporate advertising campaign featuring talk show host Wayne Brady, designed to raise its profile.

"Avaya has a unique insight into how companies can use communications to deliver business results," said Joseph Paluska, U.S. deputy director of H&K's technology practice. "We will partner with Avaya on new ways to position the opportunities for businesses to use Internet Protocol networks to make applications work together in ways not possible before."

Hydrogen Fuel Cell Pioneer Taps Ketchum

TORONTO—**Hydrogenics Corporation**, which designs and manufactures fuel cell technology, has selected **Ketchum Public Relations Canada** as its public relations agency of record. Hydrogenics will also work with Ketchum in Chicago on communications strategy.

"The hydrogen fuel cell industry is in a very active developmental stage and as Hydrogenics moves quickly toward its goal to become the first profitable fuel cell company, a strong external communication program has become increasingly important to us," said Hydrogenics chief executive Pierre Rivard. "We chose Ketchum because it demonstrated that it has the right people and the right processes to help us effectively communicate what can be very complex business and technical messages."

Ketchum will work with Hydrogenics to help it communicate its strategy to build a commercially sustainable business while at the same time being a major driver of development in the rapidly emerging fuel cell industry—one that was recently highlighted by President George W. Bush in his state of the union address.

Lord Sullivan Yoder to Handle Liebert PR

COLUMBUS, OH—**Lord Sullivan & Yoder Public Relations** has been selected as public relations agency of record for **Liebert Corporation**, a subsidiary of Emerson and a part of Emerson Network Power. Liebert pioneered the precision cooling industry in the 1960s and today is a leader in the design, manufacture and service of systems that provide environmental control,

power protection, and site monitoring for sensitive electronic equipment.

LSY will develop and implement multifaceted public relations programs to strengthen the Liebert brand and support specific growth programs within various Liebert businesses, including power, environmental, monitoring, distributed processing and global services.

According to Dick Pulse, director of Liebert marketing services, LSY's commitment to quality writing, well-defined processes, and experience were key differentiators during the agency evaluation.

Articulate Goes to Work for Ross Systems

NEW YORK—**Articulate Communications**, a specialist in business-to-business and technology PR, has started work with **Ross Systems**, a leading provider of enterprise software solutions for manufacturers in the food and beverage, life sciences, chemicals, metals and natural products industries.

"Ross has a significant and growing base of highly successful customers in our target industries," said Scot McLeod, Ross vice president for marketing. "These customers are solving their most complex challenges with our solutions, and each has a great story to tell. As Ross moves forward with exciting new marketing initiatives in 2003, PR will be a critical component of our overall strategy as we tell our story of success, through our customers."

Articulate will assist Ross in fine-tuning its corporate and product messaging; editorial strategy and execution; customer communications programs; announcement drafting and outreach; and press-kit materials creation.

agency people

Porter Novelli Promotes Kolberg to Head L.A.

LOS ANGELES—**Porter Novelli** has promoted Bill Kolberg to general manager of its Los Angeles office, replacing Steve Jursa, senior partner and global convergence practice leader, who was serving as the acting general manager of the Los Angeles office.

Kolberg will oversee operations of PN LA and will be responsible for the growth of the agency's business in the greater Los Angeles area. Additionally, he will continue to head the consumer and food practices in the Los Angeles office, where clients include The Jim Henson Company, Weider Nutrition, Danone Waters of North America, Mattel and Oral-B Laboratories.

"Bill has made a tremendous impact on the Los Angeles office, and has grown PN's consumer practice to include clients such as McDonald's and Krispy Kreme Doughnuts," said Gary Stockman, CEO of the Americas for the agency.

Kolberg joined Porter Novelli in 1994 to oversee the management of the McDonald's Operators' Association of Southern California account, the second-largest McDonald's marketing cooperative in the nation, numbering more than 600 restaurants.

Jursa has been heading the office since the departure a year ago of Dan Orsborn, who left in fall of 2002 after helping grow the office from 17 to number 12 on the *L.A. Business Journal's* rankings.

Schannon Leaving Ketchum

WASHINGTON, D.C.—Mark Schannon, who stepped down last year as general manager of

Ketchum's Washington office, is leaving the firm after 12 years.

Schannon became senior counselor to the firm last September, focusing on strategic client counsel and new business development, while Liz McLean became head of the D.C. office. Now he will leave the firm. "After 12 years, I realized that I need some time to think about what's next and I can't do that while working—even after having given up being director," he says. "I had hoped that would give me the time, but it hasn't worked out."

Schannon says he has been working on a book on crisis management for several years, and hopes he will now have the time to finish it. "And I have an idea for a second book, but it's going to require a lot of research I can't do while working." Ultimately, he says, he might move back to corporate—earlier in his career he held senior communications positions at Monsanto—or start a consulting firm specializing in crisis management.

Former AMEX Attorney Joins Fleishman-Hillard

NEW YORK—Carolyn Miller, an attorney who most recently served as vice president and special counsel at the **American Stock Exchange**, has joined **Fleishman-Hillard** as a senior vice president in its New York office.

At the AMEX, Miller led teams responsible for special regulatory and financial projects. Previously, she was with the Securities and Exchange Commission (SEC) where she developed the Commission's Plain English initiative for the division of corporation finance.

At FH, she will serve as chief of staff for the firm's corporate credibility advisory practice working with northeast regional president

Peter Verrengia and corporate credibility advisory practice Chairman, Leon Panetta. She will also be responsible for building the firm's counseling and advisory capabilities in the areas of corporate governance, disclosure and regulation.

"As we help our clients navigate the complex investor and reputational challenges they face, Carolyn's background in capital markets, securities regulation, and communications will be a tremendous asset," said Al Bellenchia, senior partner and chair of the firm's North American financial practice.

NEW YORK—**Ketchum** has named Michael O'Brien to associate director of the firm's global brand marketing practice. O'Brien joins Kelley Skoloda, practice director, and Marianne Friese and Serena DeMorgan, associate practice directors in Beijing and London, to form the global core leadership team for one of the largest brand marketing practices in the industry.

In addition to his new global role, he will continue as director of the brand/food practices in New York, where he now runs the largest brand account in the agency, Kodak, and contributes to other key clients such as Tropicana, Johnson & Johnson and Merial.

Prior to joining Ketchum, O'Brien was director of global brand communications at MasterCard.

WASHINGTON, D.C.—**Witeck-Combs Communications** has named Amy Cappiello as a communications strategist and Ciaran Clayton as communications associate. Cappiello previously served as a legislative assistant on Capitol Hill, in the office of Rep. Hilda Solis (D-Ca.) and Clayton was an assistant account executive with PR21.

agency people

State Republican Leader Faso to Assist Ruder Finn

NEW YORK—John Faso, the former Republican Leader of the New York State Assembly and recent candidate for State Comptroller, has been named senior advisor/public affairs for **Ruder Finn**. Faso was recently named partner of the national law and consulting firm Manatt Phelps Phillips. In providing public affairs advisory services, Faso will work from Albany, New York City and Washington D.C.

According to Peter Finn, co-CEO, Faso will play “a new and important role, adding strength to our policy competency. John will work with our management team on New York City, New York State and federal government relations issues in a time when governmental issues are a priority for many of our clients.”

A state fiscal expert, Faso chaired the 1994 budget transition team for then Governor-elect George Pataki that closed a record \$5 billion budget deficit. He later served as ranking member of the Assembly’s

fiscal committee and was unanimously elected three times as Republican Minority Leader.

“During his years in the Assembly, John always worked closely with business leaders and officials at all levels,” says Finn. “He is uniquely capable of helping our firm, because he knows the legislative process, understands how policy is made and how policy makers think, and has a keen understanding of the needs of business.”

Radman to Launch Stanton Office in NY

NEW YORK—Deborah Radman, currently managing partner at **KCSA Worldwide**, is joining Washington, D.C., based **Stanton Communications** to lead a newly formed corporate practice group and open a New York office for the agency. Radman will be responsible for building on the agency’s portfolio of work for corporate clients including W.L. Gore & Associates, Sprint, U.S. Trust and Bombardier and enhancing the firm’s capabilities in business-to-business market-

ing, brand development, strategic planning, crisis communications and executive training.

At KCSA, she headed the firm’s corporate and marketing communications practice. She joined KCSA in 1999 after selling the New York operations of her own firm, Brown Radman Wolper, where she handled PR for clients including Sanyo, GE, IBM, Honeywell, and Manville.

According to founder Peter Stanton, the New York office enhances the firm’s ability to provide clients with on-the-ground representation in the nation’s business and political capitals, especially when coupled with the firm’s recent admission to ECP Global, an international consortium of independent public relations firms.

MIAMI—**Fleishman-Hillard** has named Jorge Díaz de Villegas deputy general manager of the firm’s Miami office. Díaz de Villegas was previously senior vice president and partner of the Miami office. In his new role, he will be responsible for staffing and new business development.

tools

PRtrak Launches New Online Media Measurement Database

PHILADELPHIA—Public relations measurement firm **PRtrak** has introduced a new database that enables PR professionals to access impressions and media values for the top 10,000 websites.

PRtrak’s new database integrates Internet audience data from comScore Media Metrix with media cost information from SQAD. comScore Media Metrix is a division of comScore Networks, a leader in online consumer measurement. SQAD is a media cost-forecaster to

advertising, public relations and media companies nationwide.

According to PRtrak vice president Angela Jeffrey, “While more and more Americans rely on the Internet as a source of news and information, until now, PR professionals have had few options to easily measure the relative impact of publicity reaching their target audience via Internet sites. PRtrak already had the most extensive and detailed database of measurement metrics for TV, radio, newspaper and magazine outlets in the country, but our clients could not complete their evaluation picture without high-quality Internet metrics.

In addition to comScore and SQAD, PRtrak enlisted the assis-

tance of top executives of leading PR research and measurement, clipping and automation firms, top PR agencies and industry associations, in an effort to gain overall consensus for the proposed methodologies.

“Most of us who attended the methodology preview were pleased with the effort PRtrak/SDI is making to set standards for Internet output metrics,” says Mark Weiner, CEO of **Delahaye Medialink**. “As our industry continues to work toward more definitive measurement of PR impact, output metrics serve as an important indicator of a program’s progress. To have standard metrics and benchmarks in this area is a big step forward.”

Doke Leaves American Airlines for New Role at Dell; Whitcomb Steps Up

(Continued from page 1)

Airlines. He left AA for a short period to serve as director of corporate communications at America West Airlines and in the same capacity at Greenwich Air Services.

"We are fortunate to have the depth of talent and someone with Gus' background and experience in our industry and at American Airlines ready to step in to lead our corporate communications group at a critical time for our company," said Dan Garton, executive vice president of marketing. "We appreciate Tim's contributions to American and his willingness to work with Gus through a transition period."

Doke will be based at Dell's Austin headquarters where he will have responsibility for the company's financial and general media relations, public affairs (including the Dell Foundation), employee communications and executive visibility programs for Michael Dell, Chairman and CEO, and Kevin Rollins, president and COO. He will report to Elizabeth Allen, who also holds the title vice president of communications.

Doke has alternated between the corporate and agency sides of the business for much of his career, with stints at Carl Byoir & Associates and Hill & Knowlton, as well as heading PR at Seattle-based Elgin Syferd. He has also held cor-

porate positions at Alaska Airlines and Brinker International before joining AA in 1998.

He was recognized by the PRSA last year for his role in effectively managing the chain of crises—including the terrorist attacks of September 11 and a crash in New York one month later—that confronted American Airlines in 2001. This year he has played a high-profile role in the airline's contentious labor negotiations and in answering questions about a possible Chapter 11 filing after reports the company had retained a bankruptcy law firm.

Delphi Realigns PR

TROY—Automotive parts supplier **Delphi Corporation** has appointed several executives to top positions in its global communication and marketing staffs as part of a plan to help integrate its public affairs and brand development activities.

William Lafontaine has been named corporate director, media communication and brand development, reporting to Karen Healy, vice president of corporate affairs. Lafontaine had been director of marketing and customer development. In his new role, he will help align Delphi's media and brand development efforts to enhance Delphi's technical and corporate reputation.

The company's media relations, advertising, Internet communication, brand development, merchandising and motorsports activities will report to Lafontaine.

Steven Gaut is named director of communication for Delphi Europe, Middle East and Africa and will lead communication activities for Delphi's operations in the region, including media relations and internal communication. He also will help coordinate government relations with Delphi's country directors.

David Bodkin is named director of media relations, and also will maintain his current responsibilities as director of communication for Mexico. Bodkin will report to Lafontaine and Healy.

Governor's Aide Joins St. Joe in Florida

JACKSONVILLE, FL—Katie Baur Muniz, former communications director for Governor Jeb Bush, has joined real estate giant **The St. Joe Company** as public affairs manager. She will coordinate public affairs activities at the community level throughout Northwest Florida.

Muniz left her position in Bush's office earlier this year. She was responsible for all communication and press activities within the executive office of the governor and managed and coordinated the communication offices of the 13 executive agencies.

From 1998 to 2000 she was press secretary for the speaker of the Florida House of Representatives. Prior to that, she was deputy legislative assistant in the Florida Department of Education.

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