Burson-Marsteller 50 PROUD YEARS ...just the beginning

Seventh of a 50th Anniversary Series

The Americas: The United States, Canada, Latin America

Even while immersed in establishing Burson-Marsteller in Europe and Asia and making several two to three week visits to the two continents every year for thirty years, I always knew that the "growth engine" for our business was the United States. From the time we dared think we had the potential to become a global business, I assumed that our primary revenue source would be U.S.-headquartered multinational corporations. Accordingly, I pursued the goal of making Burson-Marsteller a differentiated market leader capable of attracting global clients in our home market. Fortunately for me, I was supported by a management team that shared my vision and had the ability to orchestrate the most dramatic expansion of a public relations firm in history. Though literally scores of B-M colleagues in the U.S. contributed at one time or another at one or more geographical locations, among the early "cadre" that built the U.S. business were Elias (Buck) Buchwald, Jim Dowling, Tom Mosser, Larry Snoddon, Bill Noonan, Mike Morris, Al Smith, Geoff Nightingale and Tony Hughes, all based at B-M/New York, and John La Sage, Chicago. (This list could contain many more names and would still be incomplete -- over and over again, I have tried to make the point that many, many people have dedicated themselves to the making of Burson-Marsteller). With the exception of Buck, who began working with me in 1950, those named joined Burson-Marsteller in the 60s and stayed for up to forty years. I also had Bill Marsteller's support and the support of Marsteller Advertising and people like Richard C. (Dick) Christian, Lou Magnani, Ray Gaulke, Bruce Cole, Art Cowles, Bruce Richardson, Bob Trebus, Milton Sutton and others who helped sell public relations to their U.S. advertising clients.

By 1965, we had offices in New York, Chicago and Pittsburgh, in Toronto and in Geneva and Brussels. Our total revenues were $1,328,000 (about ten million in 2003 dollars) and we were intent on adding new clients and more business from existing clients. We were largely business-to-business and widely rated the top agency for industrial accounts. We also had experience in corporate/ financial relations, a result of our work for Rockwell and Clark Equipment. As the decade of the 60s came to and end, our three offices in the U.S. could each point to impressive additions to our client list.

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B-M/New York, always our largest office, set the pace. Two big wins in the early 60s were Armco Steel, the nation's fourth largest steel company, and Babcock & Wilcox, the largest maker of boilers for electric utilities and a major factor in nuclear reactors. In the late-60s good work by B-M/Geneva helped make Texas Instruments a U.S. client and

Johnson & Johnson gave us our first assignment. But the "win of the decade" was Owens-Corning Fiberglas, a client that provided both a large budget and many opportunities to produce outstanding programs which brought us acclaim and esteem. Winning OCF was truly one of our defining moments.

It was during the 70s when my associates and I first realized we were on our way to becoming the world's largest public relations firm. B-M/New York was the brightest star in the Burson-Marsteller firmament. (In 1971, B-M ranked third behind Hill and Knowlton and Ruder-Finn; we moved up a notch in 1972 and remained there a full decade; in 1983 we topped the list.) Our growth rate was consistently the highest among the larger firms as new business from blue chip clients poured in. General Motors gave us a great lift in 1970 when they chose us to be their corporate public relations counsel (more about that in a later installment). Merrill Lynch and Burger King, then our largest consumer client, signed on in the mid-70s along with Johnson & Johnson's Tylenol. Other major wins included United Technologies, Chemical Bank, Piper Aircraft, American Dental Association, Hoffmann-LaRoche, American Bankers Association, Gillette, Gerber (baby foods), American Express and Dow Chemical. In 1979, B-M/NY serviced our three largest clients: Burger King, Owens-Corning and Merrill Lynch.

We moved our original B-M/NY office to larger space in the New York Daily News Building (220 East 42nd Street) a year after we opened for business. We moved again in early 1955 when Marsteller Advertising added a third office in New York. After a year on their board, I persuaded Bill Marsteller that a New York office was essential to the growth of the advertising business. Marsteller Advertising acquired a mid-size industrial agency called Rickard & Company with enough space in a second-rate building at 11 East 36th Street to house B-M/NY. Although our people were less than happy about the step-down in accommodations, they knew it was temporary and almost immediately added Rickard clients Ingersoll-Rand, Cincinnati Milling Machine and Metal & Thermit (an industrial division of American Can) to our list. In July 1958 Burson-Marsteller and Marsteller Advertising moved to a new building at 800 Second Avenue, diagonally across the street from our former Daily News location. Four years later we added a second floor (B-M on one, Marsteller Advertising on the other, the pattern we followed in cities where we both had offices). In 1967, the two businesses signed up for four floors, about 45,000 square feet, in another new building at 866 Third Avenue (between 52/53 Streets) with a twenty-year lease and an option to add a fifth floor in five years at six dollars a square foot. B-M/New York's growth surge started soon after and continued for two decades. We leased three additional 11,000-square foot floors at 866 Third Avenue (at up to $37.50 a square foot) and were forced to lease floors in three other buildings -- 888 Third Avenue, 919 Third Avenue and 757 Third Avenue. We operated in that mode for five years until we moved Burson-Marsteller to 230 Park Avenue South in February 1986 – 510 people made the move. No public relations firm today has that many people in a single location.

The growth of our client list in the 80s continued unabated. While B-M/NY competed vigorously against other firms many new accounts came to us either unsolicited or without competition. Among the latter in the early 80s were Coca-Cola, DuPont and GE

Appliances. After "courting" AT&T for almost ten years, in 1983 we competed for their Los Angeles Olympic Torch Run project and won the business. The Torch Run remains the largest single project ever undertaken by Burson-Marsteller. For more than a decade AT&T was a major B-M client. Another significant addition was Philip Morris in 1987. We got the business without competition or even a formal presentation. Among other major clients gained by B-M/NY in the 80s were Digital Equipment (DEC), M&M/Mars, Met Life, Pfizer, Glaxo, Sandoz, the Committee for Energy Awareness (a well-funded initiative to promote energy conservation and energy producing options), Tropicana and the U.S. Army (recruiting program) and the U.S. Postal Service, the latter two in tandem with Young & Rubicam. A new management at Burger King terminated both us and their advertising agency (J. Walter Thompson) and we quickly joined forces with Wendy's.

While growth slowed in the 90s, B-M/NY continued to add new clients like Andersen Consulting (now Accenture). Our former client Jim Murphy, who joined us after five years at Merrill Lynch, led our presentation to the then newly formed Arthur Andersen & Co. business unit. Two years later he was hired by Andersen Consulting as chief marketing officer. Accenture has been one of B-M's top five clients ever since. Our work for IBM ballooned during the early years of the decade and we took on major strategic assignments for Ontario Hydro and Quebec Hydro while increasing substantially our business from Citicorp, Warner Lambert and American Home Products (now Wyeth).

During our 50-year history, B-M/New York has accounted for approximately twenty-five percent of the company's total global revenues and a comparable portion of profits. Almost all that growth was organic, from existing clients and new business. There has been only one acquisition in New York – Theodore Sills & Company in 1970. It came about because I thought it would jump-start our consumer marketing capability. Ted Sills built a unique business – the largest public relations firm specializing in food products. He started his business after World War II in Chicago, but eighty percent of revenues came from his thirty-person New York office, all female with the exception of the mail room attendant. Sills lived in Los Angeles where he had a small office. The only other male in the company was the Chicago manager, John Bohan. Sills deliberately structured his business in a way that enabled him to play golf year round in a location where he wanted to retire. He and his wife Anna Laurie lived in Pacific Palisades across the street from the future governor of California and future president of the United States.

At age sixty Sills acted on a plan to perpetuate his business and convert his equity into funds for retirement. I was aware of his firm for several years because of its unique reputation as a food specialist. His plan called for selling his business, working five years and retiring at sixty-five. It took us only a few weeks to reach agreement -- we gave him $500,000 in stock to be repurchased by the company at the then book value when he retired. Actually, he remained until he was sixty-eight and his stock was worth about two million dollars. We added more than a dozen first rate consumer marketing professionals. Sills clients included the National Pasta Association, Church & Dwight (Arm & Hammer baking soda), Spanish green olives, Crisco (Procter & Gamble), Pickle

Packers Association and California state-financed marketing programs for artichokes, apricots and strawberries.

B-M/NY became the largest public relations office in New York in the early 80s and held that position until 2001. For two decades it housed the world's largest collection of public relations professionals at one location.

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Shortly before his death three years ago, George Lazarus, Chicago Tribune advertising/marketing columnist and my friend for thirty years, asked me whether I kept count of my visits to Chicago. Although I didn't, it took me only a few seconds, to respond "five hundred." George's seemingly logical reaction was "how can that be possible?" I explained "I visited Chicago at least once a month for more than forty years -- forty times twelve is four hundred-and-eighty and I feel secure rounding it up to five hundred." B-M/Chicago is my most-visited office.

When the original Chicago Park Hyatt near the Water Tower, a jewel of a hotel, was razed about five years ago, I received a package that contained a brass plate mounted on a walnut base bearing the etched words "Ten Hundred." With it was a note from the manager telling me that, as one of the hotel's most frequent guests, he was enclosing a souvenir from the suite I had occupied so often during the quarter century the original Park Hyatt was in existence. (For the record: while I usually occupied a suite when visiting Chicago, I never paid the suite rate. Because of my frequent visits and the patronage of our Chicago office for client and office events, my reservation at the Park Hyatt was invariably upgraded and suite Ten Hundred was my favorite.)

My frequent visits to Chicago started even before Burson-Marsteller was legally incorporated. In fact, my first non-client priority when B-M opened for business on March 2, 1953 was a Chicago office. Although long-term I was committed to building a B-M client list independent of Marsteller Advertising, I recognized that our hottest immediate prospects in Chicago were Marsteller Advertising clients. In addition to an aggressive new business effort, we had to establish a capability in Chicago to handle marketing publicity for our big client Clark Equipment (I personally handled Clark at the corporate level). For the first five years of our existence, I was in our Chicago office every two to three weeks for stays of at least two days.

The first person hired for B-M/Chicago was Bob Hartney, a recent graduate of the School of Journalism at the University of Illinois (Bill Marsteller's alma mater). Hartney was a capable writer who looked mature for an entry level account person. He showed promise from the outset, stayed at B-M/Chicago five years, then transferred to B-M/New York where he remained almost ten years before joining our client Oak Industries and moving to southern California. Our second hire was Aubrey Cookman, a well known Chicago news reporter and a retired Air Force colonel. Cookman, whom Bill Marsteller had known for many years, was general manager. Although he had managed an Air Force public information unit, Cookman had never worked for a public relations firm. He headed the office six years and left to join our client Universal Oil Products. We then had a staff of twelve.

The part I liked most about those early visits to Chicago was my interaction with George Spatta, Clark Equipment CEO, with whom I had dinner or lunch almost every visit, some times at Clark headquarters in Buchanan, Michigan, a hundred miles east of Chicago (he always sent his chauffeur to transport me). I also spent a lot of time selling public relations services to Marsteller Advertising clients, mainly medium-sized industrial companies like Calumet & Hecla (copper mining), Century Electric (electric motors), National-Standard (steel springs) and Roura Iron Works (heavy mining equipment). We had a fairly good success rate building a client list that enabled us to add staff. As in New York, we preferred hiring journalists with industry know-how, many of them graduate engineers who were trade paper reporters and editors.

During the next ten years, B-M/Chicago began establishing a presence in the Chicago public relations community. Its client list in the 60s boasted a number of prominent Midwest companies: A. B. Dick, whose name was synonymous with the now-outdated "Mimeograph" machine; Johnson Service, climate control specialists; Abbott Laboratories, pharmaceuticals; John Sexton, one of the largest institutional food service companies, and the Railway Progress Institute, an organization set up to support government funding to maintain rail service. For almost a quarter century, B-M/Chicago's largest client was Clark Equipment served by an account team that ranged from four to six professionals, some totally dedicated to Clark.

Although B-M/Chicago was growing profitably and we had hired good people, the early management of the office was erratic. Believing that a strong operation in Chicago was critical to our future success, in the early 70s I asked Jim Dowling to go to Chicago as general manager. Jim, at the time was B-M/ New York's general manager and a move to Chicago would seem to be a step downward. But he, too, recognized the importance of that office to the overall success of Burson-Marsteller and he and his wife, Anne, gave up a newly-purchased home in New Canaan to move to Chicago's northern suburbs.

An important addition to the client list was Beatrice Foods, which provided an opportunity to implement a number of highly visible initiatives, including staging and sponsoring the first Chicago Marathon. Until it was acquired in a leveraged buyout by KKR, Beatrice was B-M/Chicago's largest client. Other significant account gains of that era included Sears, The Chicago Tribune, G.D. Searle (pharmaceuticals), Trans-Union Corporation (leased railroad tank cars and credit information).

John La Sage was appointed B-M/Chicago general manager in 1978 and has been a senior presence in the Chicago area ever since. He has been active in numerous city and state civic and cultural initiatives and has been well-known in the upper echelons of the Chicago business community for the past quarter century. John played a major role in winning the McDonald's business and in landing other major clients like Sears, Ameritech, S. C. Johnson, Spiegel, Gatorade, NutraSweet, Dow Corning and Miller Beer.

For almost a decade, starting in the 80s B-M/Chicago held the number one position in Crane's Chicago Business ranking of public relations firms.

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B-M/Pittsburgh, established in 1957, was another office I visited frequently during our first quarter century. For more than twenty years Rockwell was among our top ten clients and I was in Pittsburgh every month (See Fourth of a 50th Anniversary Series). CEO Willard F. (Al) Rockwell took a hands-on role in the public relations program and B-M/Pittsburgh also worked for several Rockwell business units. On a smaller scale in a much smaller market, B-M/ Pittsburgh, like B-M/Chicago, was also growing. Its early clients included Koppers, manufacturers of coke and coal tar products; Pittsburgh-Corning, the largest glass block manufacturer; a law firm, a manufacturer of steel mill rolling equipment and L. B. Foster Company, the nation's largest distributor of rail, sheet steel piling and pipe and other tubular products (a company then owned by my wife's family).

In future years, even as some Fortune 500 corporations moved from Pittsburgh to other locations, the B-M/Pittsburgh client list included the area's best known names -- Westinghouse, U.S. Steel, Duquesne Light, Mellon Bank, Allegheny Ludlum, Pittsburgh National Bank (PNB), Wheeling Pittsburgh, Calgon and Bayer. Gulf (gasoline), a major client for a decade, was acquired by Chevron. In the early 80s, after Y&R acquired us, Marsteller Advertising management decided their Pittsburgh office was "no longer strategic" to the business. B-M/Pittsburgh annexed the local Marsteller operation, putting Burson-Marsteller in the advertising business and setting the stage for the relaunch of Marsteller Advertising as a B-M practice area.

B-M/Pittsburgh is as well known, as well established and as well regarded in its home town as any office in the B-M system. While this has been the case for many years, participation in civic and community initiatives intensified in the mid-80s when Sheila Rathke, now an executive at the University of Pittsburgh, and her successor and present incumbent, Laura Gongos, took over the general manager role. The office is widely known for its much-anticipated annual "Hair of the Dog" party -- described by one publication as "the hottest ticket in town." It started in 1962 (the equivalent of almost 300 "dog" years!) to express appreciation to the Pittsburgh press corps, print and electronic, as well as clients. The name derives from the timing of the event, the week following New Year's eve. Once a relatively small intimate event, nowadays more than two hundred guests attend.

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We staked our west coast foothold in California in 1966 by sending B-M/ Pittsburgh's Jim Foy to Los Angeles. It became our fourth U.S. office and enabled us to claim we were "national" in scope. The business was slow taking off and Foy resigned to become one of LA's most popular news commentators during the 70s and 80s. Al Smith, who was among the first dozen account executives we hired in New York, succeeded Foy as general manager. He quickly built a small but solid corporate/financial business by landing clients like MCA, the owner of Universal Studios and the largest producer of TV shows; Ticor, the nation's largest title insurance company; the then publicly-listed Coca-Cola of Los Angeles, Coke's Southern California franchisee; Ralph's, the big supermarket chain; and Bekins, the largest moving company.

Los Angeles – actually all of California – has been a difficult market for national public relations firms. Few have been consistently successful over a sustained time frame. One reason for our failing to reach our objectives , I believe, is that we have lacked "a California strategy" that treated the state as a discrete market. For many years, we also failed to recognize the idiosyncratic nature of the market -- unlike our behavior in overseas markets. (Experience tells me that California should be treated the way we treat overseas markets; it's that different from others in the U.S and, as the fifth or sixth largest economy in the world, it's big enough!)

When Al Smith returned to B-M/New York in 1983, we acquired Wolcott & Company, a firm headed by a native Californian well regarded as a past president of the Public Relations Society of America and for representing the New York World's Fair in the mid-60s. Three years earlier (1980) we had established an office in San Francisco, following our acquisition by Young & Rubicam and their introductions to Chevron and Gallo Wines, both major Y&R clients. B-M/SF also had Levi Strauss as a client.

The "high tech" boom started in the early 80s and its epicenter was Silicon Valley. We transferred Tom Nunan, an electrical engineer high-techie at B-M/Chicago, to manage B-M/Los Angeles. While we were outgrowing our original image as a b-to-b "industrial" agency, we already had a dozen clients in the rapidly growing high-tech/electronics industry. For about five years, Burson-Marsteller staged an annual breakfast at the industry's big Comdex trade show in Las Vegas that was well attended by the electronics trade press. In 1982, we hired a well-connected high-tech professional with an entrepreneurial flair named Rene White and opened an office in Silicon Valley (Santa Clara). In a couple years, Rene acquired enough clients, some of them under-financed start-ups, to require more than fifty staff people. Rene was then transferred to New York to head up what we hoped would be a U.S. technology practice, the impetus being the dramatic growth along Rte. 128 in the Boston area as well the burgeoning technology community in Virginia and Maryland adjacent to Washington. (Texas Instruments, then at its peak as an industry leader, was a client.) And for several years the largest B-M/LA client was Epson, then the biggest name in printers.) Moving Rene White was a mistake. We lost our way in Silicon Valley and failed to penetrate the high tech community on the east coast. In 1987, we consolidated the remains of our Silicon Valley business into B-M/San Francisco after taking a bad debt write-off of two million dollars. In the interim, we opened a small high-tech office in Orange County in 1984 and closed it a year later. In retrospect, we (I) never made the connection between the "high-tech" that took off in the last two decades of the twentieth century with the "low-tech" that we had mastered thirty years earlier. We were once extremely good at hiring mechanical, electrical and civil engineers who were both capable journalists and effective publicists and selling their services to technically-oriented clients. We were not nearly as aggressive in bringing on engineers or otherwise technically trained writer/publicists competent in the new age of cybernetics, fiber optics and other technologies within the high-tech rubric. We simply failed to foresee early enough the potential of high tech as a large specialized business.

We returned to Silicon Valley in 1997 with a Palo Alto office that principally served Sun Microsystems, then our largest technology client. Two years later, with the profusion of new dot.com clients, we consolidated Palo Alto with B-M/San Francisco. At the peak of the boom, we had about 120 dot.com clients (unlike the earlier wave of high tech start-ups, they paid their bills!). The downside of the boom was that we lost valued staff professionals to dot.com employers on an average of more than one a week, all tempted by now worthless options. The fallout when the bubble burst was severe for B-M/San Francisco – about thirty people remained – but the direct effect on other B-M offices was minimal. B-M San Francisco's present staff is now about twice that number after winning H-P as a client. In 1999, we opened a small office in San Diego to service Qualcomm, another major high-tech client. Lincoln-Mercury and Sony have also been served by B-M/San Diego.

While we missed out on becoming the undisputed leader in the high-tech industry – our position in the low-tech era – we have since aggregated a highly qualified staff that provides in depth services globally to some of the most impressive names in the high tech pantheon, among them SAP and H-P (Hewlett-Packard), both clients in a dozen or more countries, as well as Qualcomm and Alcatel. In years past we have had major relationships with IBM, Sun Microsystems, Digital Equipment (DEC), Nortel, Apple, most of the regional Bells and numerous overseas telecoms.

We were late recognizing the public affairs potential that California offers. In 1992, a full quarter century after going to Los Angeles, we opened an office in Sacramento and during the past decade have effectively handled a broad array of public issues, some highly visible and highly contentious like deregulation of electric utilities. At present, one of our most critical assignments involves protection of intellectual property rights for the Recording Industry Association of America. Water issues have also been prominent on the B-M/ Sacramento agenda.

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Our current strong presence in Washington is a Jim Dowling legacy. In its early years, the B-M/Washington staff ranged from twenty to thirty employees. A cyclical operation with marginal profitability, its business came largely from referrals by other B-M offices. Its work consisted mainly of providing public relations support, largely working with the media, on legislative issues that affected clients of other U.S. offices. We entered the market in 1968 by acquiring a six-person business owned by Carl Levin, a former correspondent for The New York Herald Tribune whose principal clients were Schenley Industries (whiskey) and Abbott Laboratories (pharmaceuticals). Two B-M clients -- Asea, the large Swedish electrical equipment manufacturer, and Armco Steel -- required Washington assistance on trade issues and soon became clients of our new office.

Dowling felt that Burson-Marsteller would never be a major factor on the Washington scene unless we broadened our services to include a legislative/lobbying component. For several years, we hired highly qualified legislative specialists with good experience on Capitol Hill or in the executive branch of government as an extension of our public relations service. While they did good work for clients, Burson-Marsteller was seldom a contender for major Washington assignments. This changed rapidly after Dowling hired Tom Bell, a well-credentialed Washington hand who was president of the Hudson Institute, a policy think tank headquartered in Indianapolis. Earlier, Bell was Chief of Staff to Senator William E. Brock and a staffer in the Nixon White House. Bell hired an impressive lobbying staff that represented both political parties. But he came to the realization that Burson-Marsteller's strong identify as the world's largest public relations firm was not necessarily a plus factor in selling legislative support (lobbying) services.

Within a three month-period in 1990-91, Burson-Marsteller acquired two well-regarded lobbying firms. The first was Gold & Liebengood, a firm of twenty whose principals, Martin Gold and Howard Liebengood, had been long-time associates of Senator Majority Leader Howard Baker. The other was Black Manaford Stone & Kelly, one of Washington's highest profile lobbying firms headed by Charles Black, a well-placed political adviser to both Presidents Ronald Reagan and George W.H. Bush. Peter Kelly was a former finance chairman of the Democratic party. Its staff numbered more than fifty, many, like Jim Healy, House Ways and Means Committee chief of staff for Chairman Daniel Rostenkowski, and Scott Pastrick, former treasurer of the Democratic National Committee. By 1994, Burson-Marsteller and its wholly-owned legislative subsidiaries became Washington's largest public relations/lobbying firm with 150 employees. Since then, the lobbying arm has renamed itself BKSH and expanded into Europe with an office in Brussels that works with the European Community and an office in Berlin.

In 1997, B-M/Washington joined forces with a gem of a firm specializing in constituency and "grass root" relations called The Direct Impact Company, now a wholly-owned Burson-Marsteller subsidiary. The firm has a field force of 1200 on-call bi-partisan representatives in all fifty states qualified to deliver client messages to legislators and other public officials of as well as reporters and editors at both print and electronic media. Started by John Brady, who recently retired from the business, Direct Impact is now headed by Craig Veith, former head of B-M's Media Relations Practice.

B-M/Washington has taken a leading role in numerous high profile issues covering a broad range of the political spectrum. A major client for three years in the 90s was the Government of Mexico prior to passage of the North American Free Trade Agreement by the U.S. Congress. The office has worked on numerous trade and tax issues through the years and is presently supporting the Canadian forest products industry to reduce the tariff on lumber imports from Canada. Its longest-lasting relationship was with the asbestos industry, an association that continued for thirty years.

In 1996 B-M/Washington was hired by the Department of the Treasury to introduce redesigned paper currency in $5/$10/$20/$50/$100 denominations. A large part of the effort was in countries of the former Soviet Union, where a significant amount of the larger denominated U.S. bills are held. The office was chosen again in 2002 by the Treasury Department to implement a similar program for further design changes in the $20/$50/$100 bills.

During the past quarter century, I have visited B-M/Washington more than any office. For five years starting in 1980, I was a Presidential appointee to the Fine Arts Commission and I had numerous friends in the Reagan Administration (1981-88). Since 1973, I have also had an active association with The John F. Kennedy Center for the Performing Arts.

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After Coca-Cola became a client in 1983, we needed an office in Atlanta to work on Coke marketing programs. Although Atlanta was at the center of one of the nation's fastest growing regional economies, I had not seriously thought about opening an office there (despite my Southern roots!). Retrospectively, I suspect I was, in a geographical sense, otherwise preoccupied. Carl Levin, whose business we acquired in Washington, told me that Bob Cohn when he learned we intended to open an office in Atlanta. Bob, co-owner/founder of Atlanta's "hottest" public relations firm, wanted to merge his firm into Burson-Marsteller. On my next visit to Atlanta I met Cohn, a gregarious, larger-than-life creative powerhouse. His partner, Norman Wolfe, was a perfect offset for his strong personality – soft-spoken, thoughtful, attentive-to-detail. C&W's mostly youngish staff of about 25 included a publicity genius named Bob Hope, who distinguished himself publicizing Ted Turner's Atlanta Braves baseball team. Almost forgotten now, he fathered the idea of a wet T-shirt contest to boost attendance at Braves games. Hope later transferred to B-M/ New York and within a three-year period took a leading role helping B-M clients land franchises for the Miami Marlins and Colorado Rockies (baseball), Charlotte Hornets (basketball) and Ottawa Senators (hockey).

We acquired Cohn & Wolfe in a stock-for-stock transaction effective January 1984. I suspect it was our most successful acquisition. In '83, Cohn & Wolfe's income was barely $1.5 million. After the turn of the century, fee income exceeded $50 million. When we acquired the business, C&W/Atlanta produced more than eighty percent of its revenues. As part of a southeast regional strategy, it had small outposts in Charlotte, Nashville and Tampa which we closed during the next twelve months or so. Integrating the marketing portion of our new Coca-Cola business was easy because Cohn & Wolfe had already successfully carried out numerous Coke projects (and I had talked about Cohn & Wolfe with Coca-Cola management before finalizing the acquisition).

Though our original intention was to change the Cohn & Wolfe name to Burson-Marsteller (after using a dual name for a respectable period of time), Jim Dowling and I decided (wisely it turned out!) to retain the Cohn & Wolfe nomenclature and operate the firm as a B-M subsidiary. There were several reasons for the decision. One was Cohn &

Wolfe's strong identity in Atlanta and throughout the southeast as a creative hot shop also strong in sports promotion. We were concerned this positioning would be lost if we integrated C&W into B-M. A second reason was our perceived need for a "second network" to handle conflicts and clients whose budgets were thought insufficient to assure attention from rapidly-growing B-M/New York. The result was that we quickly established a C&W/New York office at a different location. We made clear from the outset that Burson-Marsteller and Cohn & Wolfe would operate independently of one another and we reported the two firms' incomes separately. We were determined to establish truly distinct identities for the two businesses.

The original C&W/New York staff was largely an amalgam of transfers from B-M/ NY and C&W/Atlanta, about fifteen in total. The new office grew rapidly as it added its own clients and harvested clients transferred or referred by Burson-Marsteller. In a short time frame, about three years, C&W/New York surpassed C&W/Atlanta in size. Several new C&W offices – Chicago, Milan, Washington, Los Angeles – started with clients that Burson-Marsteller could not, usually for conflict reasons, handle. Cohn & Wolfe reported to the CEO of Burson-Marsteller until 1996 when it began reporting directly to the CEO of Young & Rubicam and later WPP. Cohn & Wolfe had reached a size where it made sense for it to be a stand-alone entity and B-M and C&W were some times competing against one another for business. Had we combined the income of the two firms, Burson-Marsteller would have been the first public relations firm to reach $300 million in income. (We were the first to reach $100 million and the first to reach $200 million.)

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We opened our first Texas office in Houston in 1980. We were responding to the domestic oil and gas boom following the two severe gasoline shortages in 1973 and 1978. Houston was America's fastest growing metropolis and we wanted to be the first large public relations firm to enter the market. We had clients that supplied products and services to what is now known as the energy industry and we knew the oil and gas media well. Fred Thompson transferred from B-M/New York to Houston to start the office and struggled selling and holding on to enough business to maintain a staff of fewer than ten. A principal obstacle was that prospective clients challenged our "high hourly rates" compared with local firms. Among the significant (but small budget) clients were J. Ray McDermott (builder of offshore drilling platforms), Armco's National Tube Division and Baroid (oil well drilling mud).

In 1984, B-M/Chicago landed the city of Fort Worth as a client – our job was to persuade corporations to locate in Fort Worth. The annual budget, funded by the wealthy Bass family, was big for that era (a million dollars). To get the business, a two-year contract, we agreed to set up a service office in Fort Worth. It had four people and landed additional Bass-related business, including the two new near-empty office towers where we had space rent-free. In fact, we became part of the building's marketing organization. We were phenomenally successful developing interest in Fort Worth -- Radio Shack and the U. S. Postal Service were the first to commit to major facilities. We were so successful it was not necessary to continue the program after two years. In the meantime, we opened a small office in Dallas in 1985. A steep decline in crude oil prices caused us to rethink our need for three offices in Texas. In 1986, Read Poland, then the largest public relations firm in Texas, hired most of our people in return for transferring our remaining Texas clients to them. For more than a decade Read Poland was our affiliate in Texas. In 1997 after winning a three-year contract from a state agency to prepare Texans for electric utility deregulation, we returned to Texas with offices in Dallas and Austin under the leadership of Mike Lake, who transferred from B-M/Washington.

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As consumer marketing clients jumped on our bandwagon in the early 80s and our new healthcare practice started its rapid growth, we implemented a strategy to put Burson-Marsteller offices in the top 20 markets in the United States. While we believed these offices – likely to be small, up to a dozen people – would attract significant local clients like the area's public utility or local/ regional bank, the principal reason for them was to establish relationships with local media, both print and electronic. Our premise was that consumer and healthcare, especially pharmaceutical, clients would be best served with strong on-the-scene media relations representatives in their largest markets.

In 1982, Alan Hilberg transferred from B-M/New York to open B-M/ Cleveland, Lew Keim, a long-time B-Mer from B-M/Pittsburgh to B-M/ Denver and Ken Trantowski from B-M/Chicago to B-M/Detroit. The choice of those three cities was not random. Our client Wendy's was headquartered in Columbus, Ohio, and we thought it could be better served from Cleveland where we also had TRW as a client. Denver was in the midst of an energy boom and lots of IPO business seemed possible. And we thought an office in Detroit would put us in a better position to attract Ford business. In 1986, we closed Cleveland and Detroit, and, a year later, Denver. We did not attract much desirable local business (we were more expensive than our local competitors) and larger clients in those regions preferred doing business with our larger offices, usually B-M/New York or B-M/Chicago. On the few occasions local office managers were able to get a serious hearing from a nearby Fortune 500 company, it often conflicted with an existing client. And as technology developed, especially relative to electronic media, we found we did not need a local office to place articles and arrange interviews.

On an "as needed" basis we have set up a few small local offices to interface with clients. In 1997, transferring Lori Forte Harnick from B-M/NY, we returned to Detroit to service our Lincoln-Mercury business and handle other Ford assignments as well as other clients in the area. In 1999 we established a small office in Harrisburg, PA, spearheaded by Pat Ford of B-M/Washington to handle what is generally cited as the most effective electric utility deregulation program in the United States. Lynn Lawson continues to support Pat in that office.

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Canada was a challenge for us almost from the time we arrived in 1960 with our fourth office and our first outside the United States. B-M/Toronto remained static in size for almost two decades. Its staff ebbed and flowed from eight to sixteen people and the business was never more than marginally profitable. Ironically, the office got off to a good start with its first manager Bill Dulmage, a World War II Royal Canadian Air Force ace who held Canada's highest military decoration for destroying a German trainload of ammunition in a daring raid in Holland. Before joining Burson-Marsteller, he headed public relations for the Canadian Broadcasting Company. He learned he had cancer four years later and died within six months.

Despite a succession of general managers who fell short in building a business, I continued to think the Canadian market had potential. At the end of 1979, Michael (Mike) Horton, who joined us in Brussels in the late 60s, completed a three-year assignment in Buenos Aires. I asked him to take on B-M/Toronto and make Burson-Marsteller a major player in Canada. In less than a year, he opened an office in Montreal to serve Canada's French-speaking population, followed by another in Vancouver giving us coast-to-coast coverage, then the only firm that could make that claim. In 1988, we acquired a public affairs firm in Ottawa. After a quarter century in the market,. Burson-Marsteller was suddenly Canada's leading public relations/public affairs firm. Our revenues in 1991 exceeded five million dollars and pretax profits were more than a million. Our clients included Air Canada, Canadian Post Office, Royal Bank of Canada, British Columbia Forest Products Alliance, Unilever, DuPont and other multinationals. Our board chairman in Canada was Alan Gottlieb, former Canadian ambassador to the United States, and he played a significant role in building our business. Unfortunately, Horton's transfer to head B-M/London in the mid-80s left us with significant management problems and declining revenues and profits. In 1995, we merged our business in Toronto, Montreal and Ottawa into National Public Relations and B-M/Vancouver became a National office. Founded in 1976 by Luc Beauregard, who remains active in the business, National is now Canada's largest public relations firm. Burson-Marsteller has a twenty-five percent equity interest in National.

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We started exploring Latin American as a market for us in the mid-60s when client Clark Equipment formed joint ventures in Mexico and Brazil to make automobile and truck transmissions. Robert Benjamin, former TIME correspondent who pioneered public relations in Mexico in the early '50s was the nation's leading counselor. He visited me several times in New York and wanted us to acquire his firm. I had other priorities (like making our Geneva office profitable) and misgivings about our immediate prospects in Mexico. Although several clients spoke to me about Mexico, few were actually investing in the market. Instead of an acquisition, I agreed to an affiliate arrangement with Benjamin that endured for more than twenty years. As the Mexican economy grew and the North American Free Trade Agreement (NAFTA) became a reality, we needed a full-fledged Burson-Marsteller office in Mexico City. We acquired a small well-connected local firm to give us entrée in government circles in 1989, but our real entry into the market was 1992 when Jeff Hunt, who had headed B-M/Seoul, became our first general manager in Mexico City. Today we are among the larger public relations firms in Mexico (in fact, B-M/Mexico City, headed by B-M/LatAm veteran Roy Caple, was recently named Agency of the Year by the magazine, Creativa).

Burson-Marsteller's first office in South America dates back to December 1976 when we opened in Sao Paulo, Brazil. It evolved from an affiliation with a small local advertising/public relations firm whose capabilities and service fell short of what our clients required. Paul Adams transferred from B-M/Tokyo to head the office. My first visit to Brazil in 1964 was to get a first-hand "feel" for the market and my stay lasted barely twenty-four hours, aborted by a one-day revolution that unseated the president. Our concerned host suggested that my wife Bette and I flee the country on the first available Pan Am flight after spending a only one night at the Copacabana Beach Hotel in Rio de Janeiro. Twelve years later, we launched B-M/Sao Paulo. Paul Pasternak, B-M/New York, succeeded Paul Adams, whose next assignment was B-M/Melbourne. The first Brazilian national to manage the office was Luis Carlos Andrade, who held that position for more than a decade. During that time, Burson-Marsteller, the first U.S. public relations firm to open an office in South America, vied for the number one position in Brazil with a staff of about sixty.

Our second Latin American office, B-M/San Juan (Puerto Rico) opened in January 1981. As in Oslo, a public relations capability came with an agency Young & Rubicam acquired to establish its foothold in that market. It made sense for Burson-Marsteller to take it over and expand its client base beyond Y&R advertising clients. Serving a limited market, B-M/San Juan has on numerous occasions served the role of a valued "designated" hitter – effectively handling numerous major problems for important U.S. clients.

While we had a U.S. strategy, a European strategy, an Asian strategy and, eventually, even a Canadian strategy, we did not develop a Latin American strategy until the late 80s when we acquired a small Miami firm in 1988 that had strong Hispanic ties. Called The Marketing Mix (whose name we quickly changed to Burson-Marsteller) and headed by Eileen Marcus (one the two owners who remained) it did excellent work and we began infiltrating B-M people (recruiting from other offices for Miami was a breeze!). We also concluded that B-M/Miami should be the center of a Latin American region. Its function would be to oversee and coordinate regional accounts and offices (Many Fortune 500 Latin American regional headquarters are in Miami.) Rissig Licha, who headed B-M/San Juan, went to B-M/Miami as regional market leader with a mandate to expand our operations to other countries in South and Central America as the need for our services arose. He was succeeded in 1993 by Jeff Hunt, who returned to the U.S. after assignments at B-M/Seoul and B-M/Mexico City.

The following year 1994 was a banner year for B-M's newest region with office openings in Santiago (Chile) in July, Caracas (Venezuela) in August, Buenos Aires (Argentina) in September and Bogota (Colombia) in November. Ramiro Prudencia, who had been at B-M/Washington three years, became general manager of B-M/Santiago (he now heads B-

M/Sao Paulo). Roy Caple-Hernandez (now market leader at B-M/Mexico City) headed B-M/Caracas. Guido Minerva and Michelle Foster were co-leaders of B-M/Buenos Aires until we merged the office with Strategia S.A. and Claudia Gioia became market leader, a position she continues to fill. Michelle Foster moved from Buenos Aires to head B-M/Bogota which opened at the time a Y&R office was established in Colombia.

Meanwhile, B-M/Miami not only served as headquarters for Burson-Marsteller business. It has also developed a substantial local business. Florida was another triumph for Jim Dowling. After his service as chief executive officer, .Jim was given responsibility for the LatAm region in January 1996. In the two years prior to his retirement at the end of 1997, he unified the eight somewhat disparate offices into what is now recognized as the region's premier network.

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My purpose, in this and the two previous installments, has been to document how each of our offices came into being – how, over the past half century, Burson-Marsteller became a global enterprise – fifty-plus offices in thirty-five countries on five continents.

Although we sometimes stumbled and "bumbled" along the way, Burson-Marsteller today is a fulfillment of a vision that started with our commitment to a European presence forty years ago – a vision that foresaw the growth of a global economy that would require public relations/public affairs services as a natural concomitant of doing business.

While I take pride in creating a global company (with the help of ever so many capable and committed colleagues of many nationalities), I take even greater pride in having played a part in creating a well-defined culture that continues to define and differentiate the enterprise that bears my name.

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