To One and All at Burson-Marsteller:

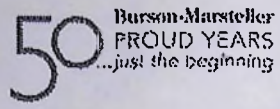
Monday is our 50th Anniversary – the start of our next half century after 50 superb years.

Anticipating so auspicious an occasion, I have done some ruminating!

What follows is a trip backward to yesterday – long held memories and a few lessons learned.

My only regret: I am not likely to be here for the 100th!

Harold Burson
March 1, 2003



On the Occasion of Our 50th Anniversary:
A Brief Retrospective by One Present at the Creation

When my small firm of five people transformed into Burson-Marsteller on March 2, 1953*, the odds were that the new company would not be around 50 years later. Back then only a few public relations firms survived their founders.

At age 32, chances were no greater that I personally would be alive in 2003. Even more remote was the probability that I would still be active in the business (even at reduced speed!).

Certainly, I had no idea the company I started would grow to more than 2000 people in 30 countries on five continents. Or that in 1983 it would become the world's largest public relations firm -- a few years later referred to as "the standard against which all other public relations firms are measured."

Not bad for an upstart that began life doing what was then called "industrial" publicity.

**For about 20 years we called ourselves Burson-Marsteller Associates. During the post World War II era the word "associates" was used by many small professional service firms to indicate they were larger than the one or two names on the door. Our date of incorporation was March 1, 1953 – a Sunday. Therefore, the first business day for Burson-Marsteller was March 2.*

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When I address employee groups and interact with clients I am frequently asked about Bill Marsteller and his role in Burson-Marsteller's success. When we met in 1952, Bill headed an advertising agency with 50 employees in Chicago and Pittsburgh. Even then he was a leading voice on "industrial" advertising. We got together when his largest client, Rockwell Manufacturing Company, asked him to take on a publicity project. A former news reporter, he recognized the need for professional public relations help and asked a friend at THE NEW YORK TIMES to recommend "a small public relations firm." Fortuitously, my name was put forward. We met; I got the business, the results exceeded expectations, and the rest is the story of Burson-Marsteller.

On the surface, Bill Marsteller and I were as different as any two people could be. He was tall and gangly, six-foot-three versus my five-foot-six. He was methodical and studied in everything he did and, to those who didn't know him well, he projected a stern, even forbidding, demeanor. (Our mutual friends said I was more cuddly.) He was a superb writer who communicated regularly through a series of memos, usually biweekly,

that are now collector's items and the content of two books. Though his attitude changed as we expanded overseas, he was a Midwestern isolationist. I was of an international bent nurtured by parents who had emigrated to Memphis from Yorkshire a year before I was born.

But we were alike in many ways. We shared the same values and some of the same interests. Like me, he was a so-called "child of the depression." He valued money and was not prone to spend it foolishly, either his own or his clients'. He believed in "a day's work for a day's pay." Every employee in every U.S. office signed a time sheet until the day he retired in 1979. One of his most memorable speeches – he was as a forceful speaker as he was skillful a writer -- was titled "The Pursuit of Excellence." His commitment to clients was as total as it was to employees. He prided himself – as did I – on sharing ownership of the business with employees and on the company's reputation as one of the best places to work. In particular, he valued support staff – the secretaries and bookkeepers and receptionists and mailroom –those prone to get short shrift in a business where professional staff is the king of the roost.

My purpose in joining forces with Bill Marsteller was because I thought he could help my small business grow. Though the firm I started did good work and seldom lost clients, we were not very effective at new business. I felt he and his advertising agency would help us get more times at bat, and I knew he would agree to a relationship where public relations would not be subordinated to advertising. On January 4, 1953, after I had signed up Marsteller's two largest clients as my firm's two largest clients, we agreed to form a new company. Marsteller Advertising would own 51 percent, I would own 49 percent – with the understanding that we would allow key employees to purchase shares later. The myth that I got my name in front of the hyphen in return for ceding majority ownership to Marsteller is without foundation. I knew from the outset whose name would be first.

Bill Marsteller's primary role was as CEO of Marsteller Advertising, for more than three decades the premier business-to-business advertising agency in the world. As it expanded into the consumer packaged goods business, it turned out some highly creative work, including two of the all-time top 50 television commercials on view at the Museum of Television and Radio. One was the "Crying Indian" commercial for Keep America Beautiful; the other for Dannon Yogurt featuring a 92-year-old native of the Republic of Georgia who credited eating yogurt for both his and his mother's longevity.

Bill Marsteller had a second role. He was CEO of what was, in effect, a holding company that served as parent for the two businesses, advertising and public relations. Although the two disciplines operated independently of one another, they usually were housed in the same building (on separate floors) and had different telephone numbers (even while sharing a common switchboard). The two businesses had the same office hours, observed the same holidays and were governed by the same administrative and personnel policies and procedures. This part of the business was Bill Marsteller's domain, and he was a strong unifying symbol even while respecting the differing requirements of the two operating entities.

At the professional level, Bill Marsteller had little involvement in the day-to-day activities of our public relations business except in those few instances where we shared clients with whom he was closely associated, primarily Rockwell. He was a strong proponent of what we then called "total communications" – a precursor of today's "integrated marketing communications." Our experience was that it worked extremely well with business-to-business clients, especially those companies where advertising and public relations reported to the same person. But joint clients accounted for a decreasing percentage of Burson-Marsteller's total revenue from the 1970s onward as we expanded our capabilities as a full service public relations/public affairs business. When Bill Marsteller retired, less than 20 percent of B-M's revenues came from joint advertising/public relations clients. He moved to Boca Raton, Florida, when he retired. He died in 1987 at 73.

* * * *

For many years now it's seldom that I have to explain who I am. This happens not only in the world of business, but also in government and even academia and the arts, in the United States, in Europe and even in Asia. Early in the George Bush (the elder) presidency, my wife Bette and I were invited to a White House reception. As I whispered my name to a presidential aide, President Bush blurted out "here comes Mr. Public Relations." At a small dinner in New York, the prime minister of Malaysia told me he not only knew who I was but that he also was aware of Burson-Marsteller's pioneering role in his country. The press secretary to Margaret Thatcher when she was prime minister was also aware of me and our firm.

As our fame and reputation spread around the world, I have tried to understand the dynamics that have honed our singular differentiation. Even as the public relations business has become more competitive and we can no longer claim the largest revenues, our reputation is still at a high level. That positioning is the result of an evolutionary process that dates from our founding.

1. During our first two decades, of the many, many gifted professionals we hired, almost a hundred stayed for 15 to 40 years. This group of long-timers served as a "cadre" that provided us the continuity to transplant our special culture and methodology and deliver uniformly high quality service as we expanded globally. All capable individual practitioners, our "core group" was even more spectacular as a team. Company-wide, we came to recognize that the whole was greater than the sum of its parts. As Jim Dowling aptly put it, "we prize the individual, we celebrate the team." People working together, in harmony and with mutual respect, became a Burson-Marsteller hallmark palpable to employees and clients alike.

2. We worked hard to nurture a strong sense of family and it paid off. We were unencumbered by areas of specialization, national boundaries and distance, or profit center financial accountability. We were unique among public relations firms at creating teams and task forces from around the region and around the world. Our goal was to win

the business and best serve the client. Our Vision and Values Statement in the late 80s said, "we accept blame individually; we take credit collectively." We cared about one another and we shared with one another. Corny? Maybe. But it worked!

3. Through the years we have evolved a single culture worldwide. That did not happen by chance. It came about because we were strong believers in organic growth. When we started a new office, even in a country new to us, we invariably seeded it with experienced B-Mers who hired and trained local staff. We seldom, almost never, made acquisitions to enter a new country. Additionally, we invested substantial sums early bringing our people together for training. This resulted in widespread global networking and even numerous inter-company marriages. B-M people as much as the décor and the methodology were of the same pattern around the world.

4. Even when we had little justification to do so, we positioned ourselves as leaders. We were not afraid to take risks – to make "outside the envelope" recommendations to clients or to open an office in Europe when annual revenues were barely half a million dollars. We were early adopters of multimedia for new business presentations when Carousel projectors were still a novelty. We used so many 35-mm slides we became the second largest slide maker in New York. We were the first to install a broadcast quality television studio with satellite uplink and downlink. We were the first public relations firm to do hourly billing, the first to own a 360 IBM computer, the first with a word processing network serving all our offices. We were pioneers in helping clients with litigation support, the first to do crisis simulation, the first to build a crisis management practice, the first full service firm to establish a healthcare practice.

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Though I get most of the credit, the fact is, I had the support of literally scores of professional associates, male and female, of many nationalities possessed of a staggering range of expertise. Three who worked along side me for most of the 35 years I served as Chief Executive Officer merit special recognition.

Buck Buchwald, Jim Dowling, Bob Leaf.

Starting in 1950 Elias (Buck) Buchwald was my closest professional associate. From the beginning of Burson-Marsteller, he was our professional conscience and the stern taskmaster who set seemingly impossible high standards both qualitatively and quantitatively. A graduate chemical engineer, he got the work out, the one most responsible for our early differentiation as tops among business-to-business public relations firms. He was the "Mr. Inside" alongside my "Mr. Outside," the "tough cop" who balanced my role as the "nice cop." No one played a more central role in establishing the Burson-Marsteller culture than Buck Buchwald. He retired just a few years ago and continues to have an office at 230 Park Avenue South.

Jim Dowling joined us in 1965 as an account executive. He came to my notice when I learned he was publishing an overnight daily newspaper for a client that wanted to call

attention to itself at a major industry convention. He next headed our work for Owens-Corning, a client we got in the late 60s that enabled us to demonstrate that Burson-Marsteller was much more than a gaggle of industrial publicists. Jim's reward was a promotion to General Manager of our New York office succeeding Buck Buchwald. He demonstrated his commitment when I asked him to move to Chicago, a then-troubled office that had not yet found its way. Jim's next move in 1980 returned him to New York in charge of all U.S. operations and two years later as Chief Operations Officer worldwide. He succeeded me as Chief Executive Officer in 1988. Jim, more than any one, made Burson-Marsteller "seamless" – one interconnected enterprise operating to a single standard worldwide. Jim retired in Florida in 1999 after bringing order to our Latin American operation.

Bob Leaf was hired in 1957, our first trainee. He transferred to Europe in 1965 to lead our new Brussels office. In 1968, when we established our presence in London, he moved there to head what we called Burson-Marsteller International, the holding company for our overseas offices, then three in number and destined to grow. Most probably, I had more face time with Bob as we traveled the world establishing Burson-Marsteller offices than with any other of my principal associates. In 1973, Asia; in 1978, Latin America; in 1980, Australia; in 1985, China. Together we learned the meaning of multi-culturalism as Bob fashioned and led what is still regarded as the best international public relations network in the world. Bob retired in 1998 on his 40th anniversary and continues to live in London.

* * * *

Toward the end of the 80s, Jim Dowling took the lead in codifying what came to be known as our Vision and Values Statement. Recognizing that ours is a demanding business, it says "High energy, hard work, even a threshold of pain are constants at Burson-Marsteller" and "The common thread that propels our most successful people is the constant need to excel, to achieve personal and professional goals beyond the expected norm….."

We described ourselves as "inherently uncomfortable with the traditional" and accepted the notion that "at Burson-Marsteller ideas have no rank, no country of origin." And as a guideline on how a B-Mer should approach his/her job, "We encourage prudent risk. We reject the notion that if it hasn't been done, it won't work. If we think it's right, we want to do it. And we will fight for the opportunity."

I am proud indeed to have been able to grow old amidst such people, as one of more than 20,000 who, at one time or another, in one part of the world or another, has valued my days at Burson-Marsteller as something very special.

Harold Burson
March 1, 2003

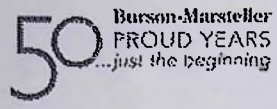
To My Burson-Marsteller Colleagues, Present and Past

The response to my observations "On the Occasion of Our 50th Anniversary" was overwhelming. A couple hundred E-Mails, letters and telephone calls. From more than a dozen countries on five continents. From people whose tenure at Burson-Marsteller was in each of our six decades as a business. I am most grateful to each and every one of you who took time to write and recall shared experiences. And I hope to personally respond to you.

A common theme in these messages was "share with us more of your stories about Burson-Marsteller – its people, its clients, its many interesting projects through the years." Surprisingly, a number of them wanted to know more about my early life and why and how I got into public relations.

For several years, I have been writing what one day may be published as a personal memoir. Over the next several months, I will share with you some of my memories – starting with a very personal account of my first 25 years – years that prepared me to lead the firm that bears the Burson-Marsteller name.

Harold Burson
April 2003



Second of a 50th Anniversary Series

Prepping for a Career in Public Relations
My First 25 Years

The history of Burson-Marsteller is, to some degree, a reflection of my personal experiences – what I learned growing up in Memphis, attending the University of Mississippi, reporting for a daily newspaper, traveling with the CEO of a large firm of engineers/builders, and serving as both soldier and journalist in the U.S. Army in Europe during and after World War II. This is a brief account of my first 25 years – years that had a profound influence on those that followed.

* * * *

My parents had lived in the United States barely a year when I was born on February 15, 1921. They had emigrated from Leeds, in Yorkshire, to Memphis, where kinsmen had settled pre-World War I. My father, a victim of the first poison gas attack by the Germans at Ypres in 1916, served five years in the British Army in France and Belgium. That heritage gave me an international outlook that remained with me through the years. A Southerner by birth – which I admit to, to this day! – I did not grow up in a traditional Southern household.

My earliest memory is of starting school. I was six years old, a first-grader for all of two days, when an older person entered the classroom, spoke to the teacher and beckoned me to come forward. Told to fetch my belongings, I was led to another classroom. Before the end of the day I learned I was now in the second grade. The next day I remember taking a test (years later I learned it was a Stanford-Binet IQ test). Finally, I was directed to still another classroom, this time the third grade, where I remained the rest of the school year.

My father – who didn't quite finish high school – taught me to read when I was three. He used the morning newspaper, The Commercial Appeal, as a text – first the big type in the advertisements, then the headlines, finally the news stories. Most likely, I was the only six-year-old third grader in all the United States who could name President Coolidge's cabinet and the nine Supreme Court justices. But I had a problem, in fact, a big problem: I couldn't do the cursive writing that was used for all classroom assignments. Printed block letters were taboo. The teacher gave me a year to learn penmanship. I remember it as one of the most difficult tasks I have ever undertaken.

I went to the same high school as Elvis Presley – he was there fifteen years later. Early in the school year, the teacher responsible for the school newspaper asked for volunteers. That teacher became my first mentor. She gave me choice assignments and critiqued my writing, and she chose me to be the Humes High reporter for the school page in the Sunday edition of The Commercial Appeal. That was perhaps the first career defining moment of my then-young life.

Rather than mail my article, I walked two miles to hand-deliver it to the School Page Editor. I was the only school reporter to do this, and he rewarded me by editing my article word-by-word, line-by-line and sharing with me what was good and what was not so good. As the school year came to a close, he asked me if I wanted a summer job as a copy boy. The pay was ten dollars a week. After the first week I decided that working on a newspaper would be my life's work.

* * * *

I went to the University of Mississippi because I could earn enough as a "stringer" for The Commercial Appeal to pay tuition and living expenses. A "stringer" is a reporter who gets paid by the column inch. My income averaged $60 a month, sufficient in those depression days to cover my college costs. Even as a freshman, my job gave me a lot of visibility, including an association with the Chancellor, the head football coach and other campus leaders. The highlight of my reportorial experience at Ole Miss was an interview in 1939 with William Faulkner, an Oxford resident whose home, Rowan Oaks, was a short walk from the campus. Faulkner had just returned from three years as a screenwriter in Hollywood – he went there because he needed the money. My front-page story in The Commercial Appeal, the first Faulkner interview in several years, was picked up by the Associated Press and appeared in newspapers across the country. Joseph Blotner's definitive biography on Faulkner, published in 1974, devotes two pages to an account of how I got the interview and what Faulkner told me.

Half way through my junior year, the director of the Ole Miss News Bureau, the school publicity department, was fired for wrapping his Ford Roadster around an ancient oak tree in front of the administration building. Intoxicated at the time of the accident, he was dismissed from his News Bureau job while still in the hospital recuperating from minor injuries. The Chancellor asked me to serve as acting director until he could find a successor. The salary – $75 a month – was appealing and I accepted. The principal function of the News Bureau was cranking out "home towners," brief news stories sent to daily and weekly hometown newspapers reporting on student achievements such as getting elected to honorary fraternities or making the dean's list. The purpose was to give parents bragging rights while encouraging high school seniors to apply to Ole Miss.

This was my first experience in anything resembling public relations. Also, it was my first time supervising people – six students who gathered news and wrote and processed releases. The student employees were actually part of a Federal government program to help young men and women go to college, the National Youth Administration. It enabled them to work forty hours a month for 25 cents an hour. (Nowadays it's difficult to

believe that $10 a month made much difference, but it covered cafeteria meals for three weeks.) Shortly after taking the job, I began developing feature articles about Ole Miss and sending them around the state. We also organized a speaker's bureau – the first components of what I would later learn was a public relations "program." I held the job for three semesters and believe this unintended responsibility was the most valuable component of my college experience.

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Because of my association with The Commercial Appeal – two years part-time in high school and four years in college, including summers when I worked as a cub reporter in the sports department and on the city desk writing obituaries – I never thought about working elsewhere after graduation in May 1940. If I had had the financial resources to do so, I probably would have tried to get a news job in New York – during the era when I was growing up anyone who fancied himself a writer wanted to go to New York or Hollywood. But I knew for certain that I had a job waiting for me at The Commercial Appeal, and I harbored a never-spoken hope that someday I would somehow migrate to New York.

The Commercial Appeal was actually a regional paper serving West Tennessee, North Mississippi and East Arkansas, in addition to the city of Memphis. It had a number of small "bureaus" that covered the rural areas where it had substantial circulation. Newly hired reporters were sent to one or more of these bureaus their first year. I was assigned first to Dyersburg, Tenn., and, in November, 1940, to Jackson, Tenn. Within two weeks I was covering a news story that literally changed my life.

The War Department decided to build a mammoth ammunition plant about seventy miles northeast of Memphis, within the area I covered as Jackson bureau manager. Known as the Wolf Creek Ordnance Plant, it was one of the largest construction projects ever undertaken in that part of the country, and one of the first in the national defense program prior to our entry in World War II. Since my newspaper was the principal news medium, I was important to all parties to this gigantic project – an undertaking that cost in excess of a billion dollars in today's currency.

The story gained national attention because of a labor dispute whose resolution would likely set a pattern for future defense construction projects. The dispute arose because the engineer-builder was committed to using union labor in an area where construction sites were invariably "open shop" or non-union. Local job seekers and sub-contractors – and the politicians who represented them – protested that "outsiders" would get "all the high-paying jobs."

It was apparent early on that the union was more adept than the contractor and the Corps of Engineers when it came to responding to the media (including, or mainly, me!). To remedy this situation, the owner of the Cleveland/New York firm selected to design and build the facility, H.K. Ferguson, whom I had interviewed several weeks earlier, asked me if I could get a two- or three-month leave of absence to handle press relations for "this

important national defense project." While this was a surprising offer, I reflexively identified it as the ticket to New York I had long yearned for. On hearing my salary was $25 a week, he quickly said, "we'll double that – and give you full-time use of an automobile." Before leaving him, my mind was made up to take the job. As added insurance, my editor gave me the leave of absence with the observation, "I bet you'll never come back."

The labor "crisis" was resolved in three weeks and media interest in Wolf Creek quickly dissipated. I busied myself for two months publishing a mimeographed employee newsletter and sent word to the CEO who hired me that I thought my services were no longer needed. He telephoned that he would soon visit Wolf Creek and had a proposition for me to consider. He wanted me to join his headquarters staff and suggested "the best way to learn our business is as my traveling assistant" and "while doing that, you can look after our company publicity." A week later I took my first airplane trip – Memphis to Cleveland, via Chicago. I was twenty years old and my new salary was $300 a month – plus travel expenses.

From August 1941 until December 1943 I had a job that I have always regarded as my equivalent of a Harvard MBA. Among The Ferguson Company's clients were such corporate giants as RCA, Procter & Gamble, Union Carbide, Corning Glass, Ford and Firestone. It designed and built part of the Oak Ridge plant that produced the fissionable material for the first atom bomb, and it designed and built all of the Army's Chemical Warfare Service facilities including Fort Detrick, the development and production center for bacterial and biological warfare agents. The company's offices were in Cleveland, New York and Washington. At any time during my tenure, it was engaged in up to fifty major construction projects on sites that spanned the continent. I was traveling with the man who started the company and made it one of the world's most highly regarded firms of industrial engineers/builders.

My job consisted of handling travel arrangements – at a time when all restaurant and hotel bills and air and rail transportation charges were paid for in cash and most travel reservations required a government-issued priority. I was keeper of the boss's calendar, in effect his scheduler and gatekeeper. I handled his incoming mail and was responsible for its disposition. I attended many of his meetings with CEOs and government officials. I was both facilitator and confidante of a competent CEO whose example had a lasting impact on me.

Additionally, I began calling on business writers at the New York, Cleveland and Washington newspapers and THE WALL STREET JOURNAL. I also made it my business to know the editors of trade publications covering the broad spectrum of industry represented by the firm's clientele. My most notable achievement as the company's publicist was a front-page story in THE NEW YORK TIMES on the first synthetic rubber produced in the United States in the Spring of 1943. The Ferguson Company designed and built the plant for Firestone and it went into production a month ahead of schedule. The story also made LIFE magazine and my boss got a personal letter

of congratulations from President Franklin D. Roosevelt who read the article in THE NEW YORK TIMES.

For two years I received draft deferments because I worked for a critical defense contractor. There was little doubt that I could have remained a civilian for the duration. However, I was determined to wear a uniform before war's end. I remember, as a child, hearing my father and his World War I veteran friends slur neighbors who had not been in the service by referring to them as "slackers." I believed that post-World War II careers in business would be strongly affected by one's military record. In mid-1943, I made several efforts to sign up for one of the Army and Navy programs leading to a commission. I passed the written and oral tests but failed the physical examination because I did not have 20/20 eyesight uncorrected. In mid-November I asked my boss not to request another draft deferment for me. Since we had spoken about this earlier, he supported my position and assured me that my job would be waiting for me when the war was over. We agreed that I would work through the end of 1943.

Three weeks later the man I worked for suffered a sudden fatal heart attack. I knew on first hearing the news that my business career would undergo a big change. Almost immediately, I was asked to postpone my departure for an additional month. I was needed to "clean up the loose ends" of an executive who was always on the move, filling his briefcase with notes for future action – salary increases, promotions, transfers, birthdays and anniversaries to be remembered, and one of a highly personal nature to me: forgiving a $3000 loan from the company which enabled my parents in Memphis to make the down payment on a home. But I knew that I did not want to return to the company as an employee.

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My military service as an enlisted man started in March 1944. Perhaps because I worked for a firm of engineer/builders, I was assigned to an engineer combat group at Camp McCoy, Wisconsin, for basic training. In August, I was on a troopship bound for Liverpool and, by train, the resort town of Bournemouth on England's south coast. Three weeks later my unit crossed the English Channel in an LST, landed routinely at Utah Beach and, after a three-hour drive, pitched up tents amidst the hedgerows in Normandy. We then joined the Ninth U.S. Army and made our way across France and Belgium, into the province of Limburg in the southeast corner of Holland and, starting February 24, 1945, across Germany all the way to the Rhine opposite Düsseldorf.

In early April, I was granted a long-delayed transfer to the Press and Psychological Warfare Detachment of the U.S. 12th Army Group. My job was monitoring short wave radio news and writing a mimeographed news summary for the officer's mess at U.S. Fifteenth Army headquarters in the small intact spa/kurhaus town, Bad Neuenahr, north of Koblenz. I was there when the war in Europe ended on May 8, 1945, and I knew I would not have enough points to be discharged from the service until the following May. Perhaps because war's end was both a time to rejoice and reflect, I wrote my former employer's new CEO, Kingsley Ferguson, the son of the founder with whom I had had so

close a relationship, that I wanted to start my own public relations firm when I finished my army service. I also expressed the hope that his company would be my first client. Within a month, I got my answer – he wrote "we'll do it."

My rationale for starting my own business was that in my numerous contacts with business and trade editors, I learned that there were few publicists who specialized in representing what we today call business-to-business clients. Since I had no desire to return to a company where I had had so unique a role with the CEO, I decided my next career move was to settle in New York and commit myself to a career in public relations.

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Hoping to spend my remaining year in the army productively (and, admittedly, hoping to avoid a transfer to the Pacific where the war with Japan was being fought with great fury), I negotiated a transfer to the news staff of American Forces Network, the Europe-wide military radio network. The most appealing aspect of my new assignment was that I would be stationed in Paris. I arrived in early July and remained five months until I was chosen to be AFN's chief correspondent at the Nuremberg Trial for the 20 major Nazi war criminals starting November 20. For the next five months I was in the Palace of Justice courtroom, an observer of the Nazi party leadership that included Goering, Hess, von Ribbentrop, Keitel, Jodl and others who plotted World War II.

My coverage of the trial consisted of a fifteen-minute broadcast every night the court was in session. I was one of 200 correspondents who flocked to Nuremberg, among them Walter Cronkite (then with United Press) and Howard K. Smith, the CBS reporter who remained a lifelong friend. My report reached almost a million U.S. troops still in Europe as well as several million English-speaking Europeans, including thousands of Germans who regarded American Forces Network as their most credible news source. A typical broadcast described courtroom proceedings for five or six minutes, followed by an interview with someone with an unusual job at the trial – the chief jailer, the prison psychiatrist, the head of the translation service (the trial was conducted in four languages), the keeper of the documents and even the Chief U.S. prosecutor, Justice Robert Jackson. In total, I wrote about seventy-five broadcasts and was able to save the original scripts. It makes me proud – more so in later years than when it was happening – that I never received an adverse comment from anyone in the military chain of command protesting anything I reported.

As the defendants were completing their testimony, I left Nuremberg at the end of March and took my first furlough since being inducted in the army. I spent most of April in Paris not knowing when or even whether I would ever return to what I still regard as the world's most enchanting city. In mid-May, I made my way to LeHavre where I boarded a Liberty cargo ship bound for New York and home. Outfitted and supplied to accommodate 300 returning soldiers, only a hundred passengers were aboard. For ten glorious days on an ocean as smooth as a baby's bottom, we gorged ourselves on eggs, milk, ice cream and sirloin steak – for all of us returning GIs the first since leaving the U.S. On May 26 we sailed into New York harbor, the Statue of Liberty a welcome sight

that most of us saw through misted eyes. Three days later, on May 29, 1946, I was once again a civilian ready to pursue my dream to begin life anew as a public relations consultant in New York.

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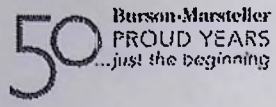
Harold Burson
April 2003



Third of a 50th Anniversary Series

Pre-Burson-Marsteller:
Harold Burson Public Relations 1946-1952

My name has been so closely identified with Burson-Marsteller for so long that even some of my close business associates and friends are unaware that I set up and managed my own public relations firm in New York for six years before I met Bill Marsteller. The H. K. Ferguson Company, a leading industrial engineer/builder, was my "bread and butter" account – the one that paid the rent and other expenses. My original staff was me and a part-time stenographer. When my firm became the nucleus of Burson-Marsteller, we had five people and a dozen companies and trade/professional associations as clients.

Managing a small growing business, I believe, prepared me for my future role at Burson-Marsteller. It gave me both a broad range of experience and confidence. As a sole entrepreneur, there was no alternative to my doing everything necessary to satisfy clients – contact, media placement, writing programs, even compiling mailing lists, addressing envelopes and making certain news releases got to the post office on time. On the business side, I was responsible for new business, making certain bills went out promptly, hiring and (occasionally) firing, and filing tax returns. As the business of public relations has matured and moved toward specialization (corporate/financial, healthcare, media relations, crisis communications, etc.), I look back favorably on those days when young professionals were trained as generalists and had to respond to all kinds of situations. That was a fertile breeding ground for well-rounded "renaissance" people.

My first business appointment after resuming life as a civilian in New York was with Guy B. Panero, a former Ferguson executive who, while I was overseas, purchased a firm that designed mechanical and electrical systems for high-rise office buildings, hotels, hospitals and other institutional buildings. One of my early mentors at Wolf Creek Ordnance plant in Tennessee, Guy Panero gave me lesson 101 on starting a business. His reputation in construction circles stemmed from his role as chief design engineer for Rockefeller Center, even today one of the most widely acclaimed building projects ever undertaken. Unexpectedly, he asked me to publicize his recently acquired business, which, fortunately, did not compete with Ferguson. We agreed on a $500 monthly retainer which he paid in advance. Equally important, he offered me office space and part-time secretarial and telephone service. That enabled Harold Burson Public Relations to open for business on the seventeenth floor of the Graybar Building, 420 Lexington Avenue, on August 6, 1946. A week later my printed stationery arrived.

My association with Guy Panero soon led to other small-fee construction clients. The New York Society of Consulting Engineers was the first, followed shortly by the New York Chapter of the American Institute of Architects. He introduced me to the builder of Rockefeller Center, John W. Harris, and his company became a client. While clients mainly wanted to see their names in print, I also wrote new business proposals and presentations – experience that served me well in later years. Admittedly, these clients were not in the same league as the FORTUNE 500 clients I would eventually work for. Monthly fees ranged from $250 to $750 per month, but their demands were modest, their expectations reasonable and they paid their bills. My income was more than it would have been had I taken a job with Ferguson or some other employer.

After six months, I had enough business to support a secretary, a part-time assistant and my own modest office. While searching for space, I learned that another Ferguson alumnus, a labor relations consultant, had a one-room office in the original General Motors Building in New York at West 57th Street and Broadway, now the Newsweek building. He shared the office with an insurance agent and a private investigator who worked from their homes and used the office only as a mailing address. For $150 a month, it became my office. About 12 feet wide and 20 feet deep, it accommodated three desks and a mimeograph machine that reproduced news releases. When I met Bill Marsteller, I had a slightly larger office in the New York Daily News Building at 220 East 42nd Street.

Concurrent with my move to a new office, I was in the process of getting married. In March 1947, Bette Foster entered my life. She and a girl friend who had been a "pen pal" when I was a soldier in Europe and "happened to be in the neighborhood" of the renovated tenement where I lived on East 61st Street and "decided to ring the bell." On October 30, seven months after we met, Bette and I were married. A graduate of the once prestigious Katherine Gibbs secretarial school, she quit her job in the promotion department of Republic Pictures and joined me as full-time secretary/office manager.

About the same time, I hired my first professional staff associate, Roy Heatly, a young news writer I worked with at AFN-Frankfurt. His goal was to enroll at Columbia University following his Army service. Knowing I would be in New York, I suggested he "keep in touch." In September he matriculated at Columbia and joined me as a part-time employee.

My tax returns for the next five years show modest year-to-year increases in income that reflected slow, but steady, growth. My circle of business friends also grew. At a time when newspaper reporters and trade magazine editors welcomed being entertained, I bought lunch for a client or a reporter/editor almost every day. I also joined organizations that enabled me to meet new people in business, public relations and the media. Though not actively seeking a partner or to merge my business with another firm, I was not averse to doing either if the opportunity arose. (In 1951, I was offered a partnership in a prestigious medium-sized firm to head press relations; I turned it down because I thought the job was too limiting.)

Meanwhile, I got a lot of satisfaction knowing that clients valued my work. From the beginning, I was treated as an equal by executives twice my age. I was especially flattered when they shared confidences with me that they chose not to discuss with their day-to-day associates. Even at that early stage of my career, I served as a "sounding board" for client CEOs. Specifically, I recall two occasions where I had a role in helping a CEO choose his successor. My recollection of those early experiences was that I did a lot more listening than talking. In the years that followed, I came to understand that listening to what a client was saying is lesson one for the would-be advisor/counselor.

My clients were engaged in interesting activities, several with major roles in the then-new nuclear age. Brookhaven National Laboratories on Long Island was a big Ferguson project, designed to research peaceful applications of the atom and frequently in the news. Later, I participated in the formation of Walter Kidde Nuclear Laboratories, headed by a distinguished Manhattan Project physicist who helped design the Oak Ridge plant that produced uranium-235 for the first atomic bomb. During the nuclear war threat hysteria, the U.S. Atomic Energy Commission contracted with Kidde to design a prototype shelter that would protect a typical American family in a nuclear attack. Kidde came up with an underground Quonset hut-shaped structure with an earth covering eight to ten feet deep, equipped with sleeping quarters and sufficient food and water for 72 hours and air filtration equipment. LIFE magazine gave it two pages, one of the five LIFE stories I placed in my first six years in business. The Panero firm had a contract with the Army Corps of Engineers to design prototypes of underground factories. That also made LIFE. A Ferguson-designed wall-less corn processing plant was spectacular enough to merit three pages in LIFE in 1949. My placement "philosophy" was to aim for high-impact "hits" in publications that impressed my client's customers, a strategy I continue to believe in. That early experience forever made me respectful of those who make blockbuster placements in major media.

In 1951, Elias (Buck) Buchwald, who remained with Burson-Marsteller for the next fifty years, joined me as Roy Heatly's replacement. Although Roy had the talents for a promising career in public relations, he wanted to live in California and work in television news. He became West Coast manager of CBS News at an early age before moving on to San Francisco's KRON-TV as news director. In his later years, he returned to public relations by establishing a firm in Sacramento that was acquired by a Burson-Marsteller competitor.

As I have frequently said, Buck played a seminal role in evolving the Burson-Marsteller culture and methodology, and in making us the world's largest public relations firm thirty-three years later. In fairness, I must credit my wife, Bette, for identifying Buck as a potential professional colleague. Buck worked for a medium-sized public relations firm that had the magnesium insulation industry account. In her role as secretary/office manager, Bette came to know Buck during our month-long collaboration on a trade magazine article, and she arranged for us to have lunch. He was exactly what I was looking for, a graduate engineer who could write, with several years experience at a

successful public relations firm. His salary was $5,600 a year and I offered him $6,500. He accepted on the spot.

Buck reinforced my small firm's ability to service business-to-business clients whose products and processes required technical understanding. (We were among the original high techies!) We had superb relationships with business and trade press editors who welcomed articles featuring our clients, and almost without exception, clients valued our services. But while some clients increased fees at the start of a new year, new business was elusive. We got too few "times at bat" – too few opportunities to demonstrate our capabilities. And we found it especially difficult to penetrate the larger blue chip companies we so desperately wanted on our client list.

A half century later, I still remember our disappointment after learning we had not won an account for which we felt highly qualified and had invested many hours preparing a proposal. It was the Grinding Wheel Institute, a group of grinding wheel manufacturers whose product was used primarily to sharpen tools. The market was static and industry leaders wanted to promote grinding wheels as a production tool to remove rough edges and create smooth surfaces. The annual fee was $50,000 -- a "plum" account for a small firm like ours. The selection committee seemed to agree with our approach, and the "chemistry" during the question-answer period gave us confidence we had won the business. Several days later, we were told another firm was selected. We later learned the committee felt we "lacked depth and back-up staff" to service the account. Buck and I were so disappointed that in later years we often used "Grinding Wheel Institute" as code whenever we felt overly confident after a new business presentation.

Another incident from that period I will always remember followed the birth of our first son, Scott, on May 28, 1952. Mother and child were scheduled to leave the hospital at noon on June 3 – which coincided with the final luncheon of the annual conference of my client, the American Institute of Architects. The world famous architect Frank Lloyd Wright was the speaker and press interest was high since it was Wright's first New York appearance in many years. Without sharing my dilemma with my client, I considered my presence absolutely essential on so auspicious an occasion. I informed my wife, Bette, that I had arranged for my closest friend – a Southerner with whom I was in college at Ole Miss and well-known to Bette – to escort her and our son from French Hospital to our apartment at 223 East 61st Street. The immediate repercussions were nothing compared to those that have persisted over the past half-century. Even now, whenever my wife has reason to question my regard and attentiveness, she is prone to remind me that I failed to bring her home from the hospital with our first-born child. But no one could ever question my commitment to clients!

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Many, if not most, entrepreneurs delight in telling "horror" stories centered on their inability to come up with the rent or meet the payroll. Though I had capital of only $3,000 when I launched my business, I never experienced a month when I lacked cash in the bank to meet the payroll and pay the bills. My secret was, simply, that most of my

clients paid their monthly fees in advance. Large out-of-pocket expenses – such as printing or paid advertising – was also paid, at least in part, in advance of my getting billed by the supplier or publisher.

One nerve-wracking experience came in 1950 when my first and largest client, Ferguson, was acquired by the Morrison-Knudsen Company, a big construction company based in Boise, Idaho. It had its own internal public relations department and I was concerned that it would take over the work I had been doing. My fears were dispelled when I presented results of the past five years to the new owners. Their reaction was that I had done a better job for Ferguson than their own people had done for M-K, a much larger company whose specialty was building highways, dams, airports, port facilities and other civil engineering projects. A few months later, three of Ferguson's senior executives, including the CEO who had actually put me in business, decided to join forces with a smaller New York firm called Walter Kidde Constructors. Their objective was to make Kidde a major player in the industrial engineer-builder category and an aggressive publicity program was a major component of their business plan. My misgivings about dropping Ferguson as a client were tempered by the uncertainties attendant to working with new owners, and I agreed to follow my friends to Kidde. My $1,000/month fee was increased to $1,250 and within a year, Kidde had more mentions in the business and trade press than any other engineering/construction firm.

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Deciding how much to charge clients in those days was more an art than a science. Immediately after the end of World War II, an account that generated annual revenues of $25,000 was well worth having. Hill & Knowlton, even then an industry leader, was widely known to require a "minimum" annual fee of $36,000 and Carl Byoir & Associates, then the largest public relations firm, charged $50,000/year for corporate clients and $60,000 for trade associations. Smaller firms charged what the traffic would bear, usually ranging upward of $500 a month. Nowadays, those numbers seem trifling – but that was hardly the case more than half a century ago before the onset of inflation. In those days, an acceptable starting salary in public relations was $75 a week or about $4,000 a year. A mid-level account executive was paid in the $6,000/8,000 range. Anyone making a thousand dollars a month was considered an executive. It is also informative to remember that in the late 1940s a subway ride cost five cents; the meter "throw" on a taxi was twenty cents; THE NEW YORK TIMES cost five cents and THE NEW YORK DAILY NEWS three cents; an orchestra seat to a Broadway show was $4.80 and a single room at the Waldorf Astoria was $10/12. In terms of purchasing power, the $25,000 budget of that era equated to $200/250,000 in the early years of the 21st century.

Although public relations firms in that era did not bill by the hour, hourly rates would have been proportionate to the salary. For example, using a three or even four times salary multiple to cover overhead and profit, the billing rate for a mid-level account executive would be less than $20 an hour. The billing rate for an executive paid $20,000 would be in the $50 range. The first time I was called in for a crisis management

assignment – it was a hostile corporate takeover and I was recruited by a major law firm -- I was told by the attorney-in-charge that I should bill at the rate of $300 a day. The project lasted about three weeks and I regarded it as a windfall.

Since client cost accounting was yet to be applied in public relations firms (true also of advertising agencies of the day), I allocated my time in those early days instinctively – enough to produce sufficient results to keep the client happy and enough to do those things needed to make the business grow.

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Almost sixty years since I decided to start a public relations business, I have wondered retrospectively about my audacity, even recklessness, in presuming I had the competence and experience for such an enterprise. I had never set foot in a public relations firm and had met few public relations professionals. To be truthful, I equated publicity with public relations and regarded my scrapbook packed with articles about my employer as credential enough to convince prospective clients that I was an effective publicist. I used the term "Public Relations" to identify my business even though the service I offered was largely gaining editorial coverage in the media. The fact is, I thought public relations and publicity were synonymous and interchangeable!

Retrospectively, I have tried to reconstruct how I came to learn that publicity is a subset of the more encompassing public relations. I have also tried to reconstruct the evolutionary process that expanded my horizons from publicist to public relations counselor. In so doing, I have no intention of demeaning the work of the publicist or, as we describe them in today's patois, media relations specialists. I think publicists are as critical to the public relations "process" as strategic thinkers, and that truly creative media relations specialists are as rare as proactive strategic thinkers. Placing a story in a major publication was, for me, a thrilling experience and, on those infrequent occasions that I have done so in recent years, it still is.

My early knowledge of public relations came largely from reading the meager supply of published materials of that era, and I recall two books in particular.

The first was written by the then-popular Washington pundit, Walter Lippmann. Titled "Public Opinion" and published in 1922, it was intended to educate elected officials on the need for an informed electorate in a democratic society. It also offered a methodology that elected officials could use to communicate with constituents. Lippmann correctly foresaw the impact that two then new inventions, radio and motion pictures, would have on forming attitudes and creating expectations not only in this country but globally. I reread the Lippmann book in the early days of the Internet and marveled at the juxtaposition of the new technology with movies and radio in their ability to impact the opinion formation process.

The second was the classic, "Crystallizing Public Opinion" by Edward L. Bernays, published in 1923, a book I believe should be mandatory reading for everyone in public

relations. Bernays, in effect, documented the methodology of practicing public relations. Written almost a century ago, it has as much validity today as when it first appeared. The first person to use the term "public relations counselor," Bernays painstakingly described how people process information to form the opinions and attitudes that influence their behavior. His basic thesis is that the mission of public relations is to impact public attitudes and opinion in order to motivate a specific behavior. He emphasized that public relations is a factor of both behavior and communications – in short, doing good deeds and telling people what you've done or, put another way, behaving in a manner that accords with the public interest and effectively communicating your actions to parties at interest. And he encouraged the use of research to measure attitudes and opinion as a determinant of public relations goals and effectiveness.

In addition to reading about public relations, I sought out public relations organizations that gave me access to others who shared my interests. In 1948, I joined a forerunner of the present Public Relations Society of America, the National Association of Public Relations Counsel. I volunteered for committees work and began to meet other public relations practitioners – almost exclusively males because most females in public relations then worked in food, fashion and cosmetics. In 1949, I was a founding member of a small New York-based group called the Industrial Publicity Association. Our 25 members included representatives of business-to-business companies like General Electric, Union Carbide, Alcoa and U.S. Steel and four or five public relations firms that represented b-to-b, what we then termed "industrial," clients. At monthly meetings a member presented an actual case history which we then discussed in detail. For me, it was both a learning experience and an opportunity to meet prospects and competitors. The organization existed for almost a quarter century.

Another group which I was asked to join in the mid-1950s called itself The Pride and Alarm Society ("we take pride in what we do, alarm at what we see"). Somewhat "elitist," its 16 to 18 members met monthly at the old Biltmore Hotel on the northeast corner of Madison and 43rd Street and represented a cross section of large, mid-size and small firms. Programs were unstructured discussions on the business of public relations plus a liberal quotient of news and gossip about colleagues. To some considerable extent, the justification of the organization was that it provided a reason for people who shared common interests and enjoyed one another's company to get together. For me, it was another source of information about both the business and practice of public relations – and it gave me access to senior public relations professionals I would otherwise have lacked.

Another organization I joined was the Overseas Press Club, a meeting place for reporters and editors. The club's dining room was for many years one of my favorite places for lunch and made a strong impression on most client guests.

Looking back, I believe my most valuable lessons came from the experience gained from responding to the myriad situations that affected my clients' business -- in effect, the on-the-job training that is endemic in providing public relations services to clients with active businesses. As issues arose, clients usually called on me because such matters

almost always had the potential to find their way into the media. One of the first issues I worked on was in the early days of nuclear power. As a contender to design and construct the first commercial nuclear power plants, my client was concerned that incipient anti-nuclear efforts would cause the deferral or cancellation of major contracts. It took a proactive role in organizing a pro-nuclear industry group called the American Nuclear Society. I wrote the announcement release in 1948 and ANS was my client until it merged with a new more broadly based organization several years later. My involvement with the nuclear issue taught me some of the rudiments of what we now call "issue management" and it also expanded my definition of public relations.

A year or so later I got more deeply involved in another "issue" assignment. My client was the American Watch Assemblers Association, a group of companies that imported Swiss-made watch movements and put them in cases manufactured in the United States. I was hired to provide media support for an initiative to defeat legislation that would impose a punitive tariff on Swiss-made watch movements. After about six months, Congress did enact a tariff on imported 18-jewel watch movements, but it was a pyrrhic victory for my client's competitors. Thereafter Swiss manufacturers shipped movements with only 17 jewels and the 18th (about whose utility I have always wondered!) was put in place after arrival in the U.S. This was my first experience in a lobbying effort.

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As related earlier, my career as a sole entrepreneur came to an end thirteen months after I met Bill Marsteller in February 1952. Building and managing a business, albeit a small business with consistent growth and profitability, was, I believe, an ingredient essential in establishing my relationship with Bill. From the outset, there was mutual recognition of our shared qualities: we believed in one another's professional competence; we considered one another capable of managing a business (even one somewhat larger than our present businesses) and we recognized each other's entrepreneurial instincts. In a real sense, Bill Marsteller regarded me as a peer from the time I met him. And that was the basis of our relationship until he retired at year-end 1979.

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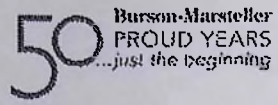
Harold Burson
May 2003



Fourth of a 50th Anniversary Series

Burson-Marsteller: The First Decade
Rockwell and Clark: The Seeds of Success

When Burson-Marsteller opened for business on March 2, 1953 with a staff of five in the New York Daily News Building at 220 East 42nd Street, it was, to the outside world, a happening of small moment. No one could, or would even have dared, predict that the new enterprise would one day have major influence on the business of public relations. Bill Marsteller's observation that our union with his advertising agency – then called Marsteller Gebhardt & Reed* – would enable us to deliver a "total communications" service to clients and prospects went largely unnoticed. Thirty years later "integrated communications" entered the marketing lexicon as a recent discovery.

Like our advertising siblings, the new Burson-Marsteller positioned itself as a specialist firm serving the industrial market. Our two largest clients, Rockwell Manufacturing Company and Clark Equipment Company – each obtained only three months earlier – represented two-thirds of our total income. Among the early conglomerates, Rockwell produced valves for the petroleum and power industries, gas and water meters, home workshop and light industrial power tools and taxi meters. Clark, the world's largest manufacturer of forklift trucks, also made heavy-duty automotive power trains – transmissions, axles, axle housings for trucks and off-highway equipment. The first publicly-owned companies I ever worked for, Clark was listed on the New York Stock Exchange and Rockwell shares traded on the Over-the-Counter market (the forerunner to today's NASDAQ). When the first FORTUNE 500 listing appeared in 1955, Clark was 314th with sales of $91 million and Rockwell was 354th with sales of $77 million. Although the numbers would be about seven times larger in today's dollars, in my world they were really big companies although, in actuality, they were in the mid-size range of American corporations.

Rockwell and Clark were, to be candid, training grounds where my young associates and I learned how to work with clients requiring a broad range of public relations services. In reality, neither was a single client. Rather, Rockwell was six clients with six budgets: corporate/financial, Nordstrom valves (petroleum and natural gas), Delta power tools, gas meters and regulators, water meters and Edward valves (power generation). Over the years, our original $3000/month corporate-wide budget estimate grew more than ten-fold as we developed programs to support marketing initiatives to specific buyer audiences. I had never worked for a client whose needs were on so large a scale and neither had my associate Buck Buchwald.

Colonel Willard F. Rockwell created his company after World War I by combining a water meter manufacturer with a firm that produced gas meters and called it Pittsburgh

Equitable Meter Company. The firm grew mainly by acquisition. In the early 50s, its name was changed to Rockwell Manufacturing Company and the founder appointed his 39-year-old son, a Penn State educated engineer known as "Al," chief operating officer and CEO heir-apparent.

Bill Marsteller, who had been Rockwell's chief marketing officer before going into the advertising agency business, spearheaded the name change initiative. To make Al Rockwell more visible in the business community, Marsteller created "Rockwell Report," a series of monthly advertisements that ran for a quarter century in Time, Newsweek, The Wall Street Journal and Business Week. The ad format resembled a newspaper column -- the heading a small photo of Al Rockwell alongside "Rockwell Report." A typical ad contained a lead "commentary" item reflecting the company's "related diversification" philosophy followed by news items about Rockwell products. Magazine ads were two-thirds of a page and newspaper ads were two columns ten inches deep. Research showed that the Rockwell Report was the best read ad month after month among business readers. The corporate public relations program we developed focused on "related diversification" as the Rockwell differentiator.

For the Rockwell account I took responsibility for corporate/financial and Buck Buchwald headed marketing/product publicity. It was, of course, immediately apparent that we would require additional people to service the business. While Rockwell management mostly was in Pittsburgh, Delta power tools – the business unit with the largest budget -- was in Milwaukee. Early on Bill Marsteller and I decided to open a Chicago office as soon as we could hire a manager. Delta power tools and the Clark business units would be its first clients. Since Rockwell did not have a public relations executive on staff, we decided with our client to station a full-time Burson-Marsteller employee at Rockwell corporate headquarters. That arrangement worked well until 1957 when Rockwell hired a full-time public relations director and we opened a Pittsburgh office.

A Pittsburgh Press feature writer, George Thomas, became our interface with Rockwell. He coordinated our activities at Rockwell, covered Rockwell business units for news and wrote speeches and by-lined articles for senior managers. Our close relationship made us privy to management reports and other confidential information. For many years, Bill Marsteller and I attended Rockwell's annual three-day management meeting where plans and goals were presented by business units. For me it was not only an opportunity to know our client but also to learn first-hand how a successful business was managed.

George Thomas was among the first of a long list of colorful characters at Burson-Marsteller. His achievements included establishing the George Thomas Clubs of America whose chapters consisted exclusively of people named George Thomas. The idea came to him when he couldn't remember his home telephone number and discovered about 25 other George Thomas listings in the Pittsburgh directory (he remembered his street address). He sent postcards inviting each George Thomas to a Dutch treat lunch. Most showed up, they decided to meet at regular intervals and he repeated the process in

several other cities. About 1965 he returned to the Pittsburgh Press where he resumed writing feature stories until his retirement to Florida.

Rockwell was transformed into a much larger company during the 70s and 80s. After acquiring North American Aviation, it changed its name to Rockwell International, moved corporate headquarters to California and became a major factor in aerospace and electronics. It built the B-1 bomber, the space vehicle that put the first men on the moon and the space shuttle. As new generations of management took over at Rockwell, our relationship with the company began to wither after being their sole public relations firm for more than 30 years. By the early 90s, they were no longer a client, having taken most of the public relations function in-house. In recent years Rockwell became a much smaller company after selling their aerospace business to Boeing, spinning off Collins avionics and their electronics business, and selling all the b-to-b Pittsburgh business units. Today Rockwell Automation is a one-business company that designs, manufactures and installs automated production lines. I am certain that Colonel Rockwell and his son Al, who were so acquisitive by nature, would be less than pleased that what they created has been so dismantled. (For a decade following World War II, Colonel Rockwell was non-executive chairman of three publicly-listed companies.)

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Clark Equipment at the outset was essentially three accounts: corporate/ financial, materials handling industrial trucks and automotive components. Like Rockwell, it had no public relations function either at corporate or at its fork-lift truck unit. As with Rockwell, Buck took responsibility for product publicity although the day-to-day work was handled in our new Chicago office. On corporate/financial, I reported directly to the CEO.

My working relationship with George Spatta was among the closest of my entire career. During the dozen years he was CEO and for five years more as a powerful board member, we met almost every other week. We often traveled together when he addressed financial analysts and other business groups or visited Clark facilities. Since he expected me to be fully aware of developments in Clark's business, I also met regularly with the chief financial officer, general counsel and business unit managers. For someone who once had difficulty understanding what public relations could do for his company, George Spatta was a quick learner. A couple years after we started working together, The New York Times published a flattering article about him and his company. Over lunch a few days later he started our conversation with "you public relations guys are a lot like dope pushers." Noting my perplexed reaction, he continued "you public relations guys get people like me hooked by getting our names in the paper and the time soon comes when we start liking it." I took his remark as a compliment.

My role at Clark was often somewhat beyond the normal scope of public relations services. During the two years he was selecting his successor, he asked me to be both his "eyes and ears" and his sounding board. In all candor, my role was largely listening as he recited, time and again, positives and negatives applying to the four executives he had identified as contenders. My relationship with George Spatta was known to each of the

four, but, miraculously, none ever asked me to violate the confidences which had been entrusted to me. Even more startling, I was able to maintain friendly relationships with those under review (two of them, business unit heads, controlled more than half our budget!). The person he selected, considered the least favored contender early in the process, was my choice (unvoiced) from the beginning.

On other occasions, he would pose such questions as "do you know the difference between FIFO and LIFO" (first in/first out and last in/first out – two methods for valuing inventories). When I confessed knowing only what the initials stood for, he launched into a 30-minute discussion on the criteria for selecting one over the other. At another time, he spoke at length on methods to motivate senior executives and defended Clark's compensation practice – low fixed salaries and outrageously high bonuses (for that era). In fact, Forbes magazine in the 60s cited Clark as one of the country's highest paying corporations. Spatta's compensation package for the previous year was over $400,000 and his direct reports each earned more than $300,000 – a lot of money in those days. His comment: "We always take care of our stockholders first with a good dividend – if there's anything left over, management deserves its fair share."

Frustrated because Clark was unknown and, in his view, its shares undervalued, Spatta specifically wanted to increase the company's visibility and gain greater understanding of the company's potential among financial analysts. At that time financial public relations was in its infancy – in fact, the financial analyst function was itself relatively new. By getting acquainted with several "security analysts" (as they were then called), I learned that they yearned for information from companies in the categories they followed. Also, I learned that security analyst societies and "splinter groups" (those who specialized by industry) welcomed CEOs as speakers at their meetings in New York and regional financial centers like Boston, Chicago and San Francisco. I proposed that Spatta commit to personal visits with eight to ten influential analysts and speeches to each of the financial analyst societies. He quickly embraced my proposal and made the further comment "let them know I will take their telephone calls" – an offer that made him unique among CEOs and popular with the financial analyst community. We also launched a quarterly "Clark Financial News Letter" for security analysts and financial writers. Its purpose was to "explain the numbers" and provide insights on trends affecting the company's businesses. At the time, Clark was recognized as a frontrunner in disclosure – in today's verbiage, "transparency." One result was that Clark was frequently cited as "a junior blue chip" – a result not only of open communication but also of consistent sales and earnings growth and a secure meaningful dividend.

Spatta's greatest achievement was making Clark a major factor in the then-crowded and highly competitive construction machinery business by introducing a line of tractor shovels whose advanced design outflanked the industry. Our press launch for the new product in May 1954 was akin to a car manufacturers annual new model introduction. It positioned Clark as a significant player in construction machinery. Staged at a working construction site, reporters/editors were encouraged to take the wheel of the new easy-to-operate earthmoving machines. They actually dug and moved dirt! Our principal message was that the new "Michigan" line started with "a blank sheet of drawing paper"

– the only line of construction machinery designed from "scratch" without regard to protecting existing tooling or parts inventories. Our efforts produced enthusiastic coverage in construction and materials handling media. Almost overnight the "Michigan" brand was second only to Caterpillar. Five years later the industry's leading magazine, Engineering News-Record, published a lengthy cover story titled "The Solid Gold Tractor Shovel" – a detailed account of Clark's rapid rise in the industry.

Clark tractor shovels outsold Caterpillar for some 20 years. For all that time, we supported the marketing program with steady case history coverage in national, regional and local media – frequently cover stories with prominent display of the "Michigan" brand name. Most gratifying to me and my associates who worked on Clark's Construction Machinery Division – among them John LaSage (who claims to have done 225 case histories), Lew Keim and John Murphy – were the recognition and support we got from our client, starting with Clarence Killebrew, who headed the "Michigan" business unit, and CMD's long-time advertising director, Colin Kennedy. Our joint effort was a model for future client/agency partnerships.

Our relationship with Clark continued for 45 years until the company was the object of a hostile takeover by Ingersoll Rand in 1998. We had worked with five CEOs. For 35 of those years Louis J. Behre, who joined Clark as George Spatta's assistant about the time we were first hired, was our principal contact. Joanne Tremulis, a managing director at B-M/Chicago, succeeded me as principal interface on the corporate business and John LaSage, our long-time senior officer in the Midwest, supervised our work for Clark business units. As CEO Leo McKernan said at the party in 1993 marking our 40th anniversary as Clark's sole public relations firm, "you guys at Burson-Marsteller were members of the Clark family long before I came on board."

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Our relationship with Rockwell and Clark led us to establish our first office outside the United States when they, coincidentally, in 1960, established Canadian subsidiaries. Though we knew their budgets would fall far short of assuring us a breakeven operation, we opened an office in Toronto, the first U.S. public relations firm to do so. While it would be twenty years before the operation grew significantly, we attracted a lot of early attention in Canada. Our first general manager, Bill Dulmage, was one of Canada's best-known World War II heroes. As squadron leader of a Mosquito fighter group that carried out a daring low-level bombing mission on a German ammunition train in Holland, Dulmage received Canada's highest military decoration and was the aviator prototype of a popular cartoon strip. Unfortunately, he died of cancer five years after joining us.

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The influence of Rockwell and Clark on me personally and on Burson-Marsteller institutionally would be hard to overstate. The knowledge gained from them on how publicly-owned corporations did business was deep and diverse. Both successful and, even in retrospect, I believe well-managed, the two companies differed greatly.

Rockwell was the prototype of a buttoned-down Harvard Business School case history on how a company should be managed. It had a structured management hierarchy, written policy guidelines and a well-planned aggressive acquisition program. Clark management was intuitive and opportunistic, its two end-product business units almost totally independent of one another. Al Rockwell managed by consensus. George Spatta believed "a bit of tension" among senior officers produced a more competitive environment and he used a "carrot and stick" technique to motivate his business unit managers and senior reports. He was fond of saying "my guys know that if they deliver the bottom line, I'll make them rich." It worked. Almost 25 years post-World War II, Clark was among the two or three top gainers in share price on the New York Stock Exchange.

Though not unusual in that era for mid-sized industrial companies, it proved significant that neither Rockwell nor Clark had an in-house public relations officer when we started working for them. It was both a blessing and a burden. It gave my associates and me considerable freedom to mix freely with management, to learn their business and to propose and implement innovative – sometimes risky – initiatives. The other side of the coin was that it was easy for the client to pinpoint responsibility – if ever we failed to deliver on our promise, there was no place to hide, no one to defend us. The fact that both companies were clients over four decades – even after they each had public relations officers on staff – attests to our performance. They got their money's worth and a generation of my colleagues got a lot of learning that would serve them well with future clients. In both cases, however, we recommended that they have in-house public relations executives.

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As the decade of the 50s came to an end, Burson-Marsteller had 25 clients and revenues of half a million dollars (almost four million in today's dollars). Our most notable account win – in 1956 – was the Electro-Motive Division of General Motors, the non-automotive division that manufactures diesel locomotives. Burson-Marsteller was the only public relations firm employed by General Motors and winning that business had an enormous impact on our future. Another significant addition was Universal Oil Products Company, the developer of the catalytic cracking process for making gasoline. Also on our expanding client list were the country's largest nuts and bolt company, the largest producer of chromium plating materials, a machine tool manufacturer, the premier maker of milking machines, the largest maker of coke and coal-tar derivatives, the largest distributor of rail and steel sheet piling and a pipeline company – all "industrial" clients with the exception of Rockwell's Delta power tool division whose market was home workshop hobbyists and now forgotten Gibson Refrigerator, then a division of Hupp Corporation, the maker of the once-fabled Huppmobile.

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Toward the end of the 1950s, my associates and I recognized that the business model that was working so well for us – restricting ourselves to industrial clients – would soon

seriously limit our growth. On several occasions, we were unable to take on a new client because of a conflict with an existing client. The more successful we became in our "niche," the more difficult it was to grow. In 1959 we engaged this issue in a weekend "long-range planning" meeting to discuss our future.
Bill Marsteller wisely enlisted a facilitator, Dr. Melvin Anshen of Columbia University's Graduate School of Business, to chair the meeting. Participants included Marsteller, Buchwald, Richard C. (Dick) Christian, who some years later succeeded Bill Marsteller as CEO of Marsteller advertising agency, and a few additional senior officers representing both public relations and advertising. Before the meeting we hired an independent research firm to survey industrial companies to determine how we fared against our competition in awareness and reputation. This research confirmed clients and prospects preferred Marsteller Advertising and Burson-Marsteller over our competitors by a wide margin.

Our long-range planning agenda was designed to answer such issues as "the kind of public relations firm we want to be in ten to twenty years;" "the profile of our 'model' future client;" and "the steps we must take to move from our present position to our desired position a decade or two hence." After a full day of free-ranging, largely unfocused discussion, we finally got on track by defining the kind of clients we hoped to attract in future years. Simply stated, our objective was to merit a client list consisting of large publicly owned multinational corporations requiring a broad range of public relations, public affairs and communications services in the developed countries around the world. Having made that determination, it was relatively easy to identify what we needed to do to equip ourselves to accomplish our goal. We put together an inventory of existing attributes and assets and listed the specialties and facilities needed to give us the capability to achieve our objective.

On our "to do" list were items like this:

+ Establish a consumer marketing capability

+ Establish a Washington (public affairs) capability

+ Establish a West Coast presence

+ Establish an international presence – in Europe, Asia, Latin America and Australia

+ Strengthen our corporate/investor relations capability

+ Install an effective personnel evaluation system; install financial controls and do a better job of budgeting

+ Make the firm better known among companies we wanted as future clients (more effective publicity/marketing)

+ Undertake a more aggressive recruiting program and provide a formal training program

There was also a "soft" side of the agenda. We wanted to attract and retain the best people in the business. We wanted our reputation to be the most professional, most creative, most dependable, most highly regarded public relations firm in the world – recognized by the best people as the best place to work. We knew that would not happen unless we made it happen. While we never used the term, we talked about creating and nurturing a working environment that had Camelot-like qualities. I believe, as the years went by, we came as close as any firm in our business to realizing that impossible dream.

We left the meeting with a document we called a "long range plan" – what today would be called a "strategic plan." We were energized to tackle our "to do" list and established a timetable against which to measure progress.

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Rockwell and Clark put us on a trajectory that led to what I have often referred to as "our most significant defining moment." The starting point was the Treaty of Rome, an agreement that created the European Common Market effective 1958. Six nations with a population of 200 million committed themselves to remove all tariff barriers and trade restrictions and form a market that would be second in size and wealth only to the United States. While making my rounds at Rockwell and Clark, a subject of increasing resonance was when, where and how they would establish their presence in "the Common Market." Whether they should or would do so, I quickly learned, was never an issue.

The idea of taking Burson-Marsteller and Marsteller Advertising to Europe was quick in coming to me after learning of the stirrings in Europe to establish a continent-wide market. My own comfort level with Europe came naturally: I had spent almost two years there and my parents had emigrated from Europe to the United States. Fifteen years after the end of World War II, I was well aware of its economic potential. On the basis of information at hand – particularly knowing that our clients were taking the new market seriously – it seemed a propitious time to establish a European advertising and public relations capability with our special credentials to serve industrial clients – much as we had done in the United States. I was under no delusion that Rockwell and Clark income would underwrite even a significant fraction of the cost of an overseas outpost. Rather, the main attraction to me was the opportunity to snare clients of U.S. origin who were not now U.S. clients but who later might join our U.S. roster. Also, I believed that industrial clients like ours would be the first U.S. companies to establish themselves in the new European Common Market. As 1959 drew to an end, Bill Marsteller, still a self-styled Midwestern isolationist (in just a few years he would embrace Europe with a fury!), agreed that Europe was an opportunity too good to ignore. We were on our way to becoming "international."

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*Bill Marsteller went into the advertising agency business in May 1951 after resigning as vice-president-marketing at Rockwell Manufacturing Company. Bill joined Rockwell in 1947 when Rockwell acquired Edward Valves, East Chicago, Ind., where he was in charge of advertising. Bill commuted to Rockwell 's corporate office and had no intention of relocating his family to Pittsburgh. In 1950, Rockwell decided it had outgrown its two principal advertising agencies, one in Chicago headed by Ernest Gebhardt, the other in Pittsburgh by Rod Reed. Bill's boss (and the largest client of both agencies) Al Rockwell, proposed that the two agencies join forces under Bill Marsteller's management. In effect, Bill bought the two businesses and Marsteller Gebhardt & Reed came into being by changing the names on the doors of the two agencies. Bill remained in Chicago and was joined by Richard C. (Dick) Christian, a young market researcher at Rockwell who succeeded him as CEO when he retired in 1979.

About a year after Burson-Marsteller began operations, my recommendation that Marsteller Gebhardt & Reed establish a New York presence was embraced by the MGR board. I believed New York represented an opportunity to expand Marsteller's advertising business and, at the same time, provide prospects for public relations services. Bill asked me to take responsibility for getting the agency started in New York and we agreed that an acquisition would hasten the process.

In December 1954, we signed an agreement to acquire Rickard & Company. Started post World War I, Rickard was once the largest industrial agency but never fully recovered from the Great Depression. Its three owners, protégés of the deceased founder, neared retirement and were ripe for a proposition that fulfilled their joint objective of "cashing them out" and protecting the jobs of their 30 colleagues. On January 1, 1955, Marsteller Rickard Gebhardt & Reed became the new name. Five years later, the New York office was on the way to becoming Marsteller advertising's largest office and Bill Marsteller and his family moved to New York. In 1973, following the deaths of "Geb" Gebhardt and Rod Reed and recognizing that the agency was commonly referred to as "Marsteller," the name was changed to Marsteller Inc.

Harold Burson
June 2003