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Ken Makovsky with plaque of his agency's logotype in his office.

Starting Your Own PR Agency At Age 38

This July, a 38-year-old executive—with a good job, high salary, and prospects for advancement—left a major public-relations agency to start his own firm, despite the fact that he had no clients.

He is Kenneth D. Makovsky, formerly senior vice-president and assistant general manager of the New York office of Harshe-Rotman & Druck, fifth-largest public-relations-agency operation in the U.S. He now heads Makovsky & Company, Inc., which presently is billing at an annual rate of \$100,000 per year.

This is the story of why and how he did it.

Your Own PR Agency: 11 Years Later

By ROBERT GORMAN

Eleven years ago, a 41-year-old senior executive—with a good job, high salary, and prospects for advancement—left a major public-relations agency to start his own firm despite the fact that he had no clients.

He is Richard Weiner. The firm he left, Ruder & Finn, currently ranks fourth in Jack O'Dwyer's listings of the nation's largest PR-agency operations. The company he founded, Richard Weiner, Inc., of New York City, is now 36th, with annual billings of \$761,000 in 1978. Dick Weiner expects gross

revenues to exceed \$1-million this year.

The agency has just secured the largest account in its history: Celanese Corp., the Fortune-500 textile-fiber and chemicals company.

Richard Weiner, Inc. has some 20 clients (see sidebar), paying fees which generally range from \$2000 to \$12,000 per month. It also handles several flat-fee or hourly-rate projects each year, but these "rarely make any money for the agency," according to Dick.

In 1978, the agency's best year so far, profits came to less than three percent of gross (they were diminished by

maximum contributions to both profit-sharing and pension plans, however).

With an annual outlay in 1978 of \$600,000 for a staff of 16 account people and 13 administrative workers, the agency's payroll-to-revenue ratio is well above the 50 percent which is supposed to be the mark of a well-run PR firm. There is no formal cost-accounting—until recently, the employees did not even keep timesheets for most of their work.

"Obviously," Dick says, "our fees are too low in proportion to our costs. We put in much more time for our clients than is generally recom-

(Continued on page 6)

Ken had been with HR&D for nine years, supervising a number of major accounts.

He had been considered for the position of executive vice-president in charge of its Chicago office, but withdrew himself from competition because he didn't want to leave New York. He then became assistant general manager in New York, with prospects of succession to the top spot there. His salary was over \$50,000 per year.

"But ever since I graduated from college I had wanted to control a business—not necessarily own it completely, but control it," he says. "Because of family stock interests in

(Continued on page 3)



Page 9

Where to hold a major press conference in four big cities.



Page 15

Fashion 'Press Weeks' offer opportunities for publicists in many other fields.



Page 18

How one agency placed major articles in newspapers entirely by telephone.



Page 19

Former campus activist now heads public relations for Fortune-500 company.