

Makovsky at 30: B2B emphasized

By Jack O'Dwyer

The firm specializes in reaching business audiences in five areas through major as well as trade media. Founder Ken Makovsky cited teamwork and high morale as key ingredients for its ongoing success.

Makovsky + Company, which is observing a June 2009 to June 2010 anniversary year, looks back on a firm built by reaching business audiences for such blue chip clients as Bausch & Lomb, Booz & Co., Charles Schwab, American Express, Coldwell Banker, Johnson & Johnson, Russell Reynolds, and Western & Southern Financial Group, to name some of the more than 60 clients on its published account list.

The firm's advocacy efforts are mostly aimed at decision makers reading business media such as *Fortune*, *Forbes*, *Business Week*, *Wall Street Journal* and *Bloomberg* as well as trade press reaching specific business categories.

A full spectrum of communications tools are used including industry forums, seminars and trade shows and traditional as well as social media. The firm's areas of specialization are financial and professional services, health, technology, branding, and investor relations.

Consumer press is most often targeted in doing PR for healthcare companies. Health professional and patient groups are used to take an "ownership" approach to the condition involved.

Makovsky + Co. posted a 19% gain to \$11.1 million in 2008 as it jumped from No. 33 to No. 25 on the O'Dwyer rankings. The 2009 figures, which are yet to be finalized, will be down slightly from 2008, said Makovsky. He noted the firm has grown 130% since 2003, and said he believes the firm's knowledge of specialized areas and hard work by a highly motivated staff are key to weathering the economic storm.

Motivational programs

The firm's "We Achieve" program rewards employees who exemplify any of six values — collaboration, communication, education, initiation, innovation and motivation. Employees can give each other cards that recognize outstanding efforts in any of these categories. At month's end, the

employee with the most cards is given a cash prize. Other employee programs include tuition reimbursement, flex-scheduling and bonus incentive programs.

Each December, employees put on a satirical show called "The Makovsky Follies" that covers some of the adventures and mis-adventures during the year. Employees exchange gifts and then take in a Broadway show.

Founded in 1979

Makovsky, a native of St. Louis and a graduate of Washington University and the University's law school, started the company in 1979 with \$12,000 in borrowed money from family members but with no clients.

He was Senior VP and Assistant General Manager at Harshe-Rotman & Druck, where he had been since 1971 after an earlier job at Ruder Finn. RF later purchased HR&D. His experience in working for the fledgling computer industry helped win his first major client — Qantel Computers.

"Working with the early computer industry I was able to see the future of American business which was increasing in complexity," he said. "I also saw that agencies could play a vital role in helping clients to market and communicate technical information to a broad audience. That was the inspiration behind our deep specialization."

Makovsky disregarded those who thought "full-service" was the best way to go because specialization might "limit opportunities." Instead, the firm adopted as its brand, "The Power of Specialized Thinking."

Since its founding, the firm has grown in 26 of its 30 years and its average annual growth rate in the past 15 years has been 14%. It is the ninth largest firm in the O'Dwyer New York rankings.

IPREX founder

Makovsky in the 1980s was one of the founders of IPREX, a worldwide network of independent PR firms. His work in the international arena resulted in his receiving the American Jewish Committee's Human Relations Award for building relationships with officials of more than 30 countries.

Concerned about global warming, the firm in the spring of 2008 sur-

veyed 150 senior executives at *Fortune* 1000 companies and found that most business leaders are "personally convinced of the grave risks of global warming."

But the survey also found they are not fully translating those convictions into corporate action. The survey was commissioned by the firm and conducted by Harris Interactive in the spring of 2008.

Makovsky hopes that "with new leadership in D.C. there will be a new commitment to addressing global warming." The firm has created InTERRAction, described as a "multi-discipline consortium advising clients on the impact of global warming."

Social media tackled

With the rise in "social media," the firm set up a branding and interactive services practice that has reached a volume of more than \$1 million in two years. Makovsky said PR people and others should not see social media as replacing established mass media.

"Social media will take its place besides the other ways of communicating which will continue to exist," he said.

Radio was succeeded by TV but radio is still around, he noted. Social media does have an edge, he said, as a tool for rapidly spreading the client message to an audience. "It draws a direct line between PR and changing audience behavior," he said. "It's as true in B2B as in consumer marketing. Traditional media have to 'socialize' and follow their audience. Generation Y already lives digital."

"The *Economist* and the *Wall Street Journal* are among the winners in monetizing this revolution and many have already lost the battle."

"The great questions in our field have never been about how we will engage audiences but how we can win their hearts and minds. That's what our firm has done since its beginning." ■



Makovsky addressed a recent meeting of the IPREX network of independent PR firms, which he helped found in the 1980s.



Staff of Makovsky + Co. at a meeting.