

Weber Shandwick

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MOMENTUM

With more than 2,500 employees (fees are undisclosed because of the way its parent company has chosen to respond to Sarbanes-Oxley regulations), Weber Shandwick is in all probability the

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biggest public relations brand in the world, and one of the two largest global public relations

operations (rival Fleishman-Hillard may be slightly larger, if various subsidiary brands are included). Impressively, despite its critical mass, the firm has been outperforming the market over the past four or five years, and last year was no exception. Even more impressively, most of its growth during 2007 was organic, as it continued to realize opportunities to grow existing clients, expanding relationships to include new geographies and new deliverables. Clients such as General Motors, Honeywell, Masterfoods, Microsoft, Pfizer, Unilever and the U.S. Army all increased their spend with the firm, so that its top 40 clients now account for more than 42 percent of revenues—an indicator of deeper, stronger relationships—up from 36 percent a couple of years ago. And there was plenty of new business too, with major wins including Adobe, McCormick, Nortel, sanofi-Aventis (for Ambien), Schering-Plough, Census 2012, and the Tokyo 2016 Olympic bid.

REGIONAL REACH

Despite the improved performance and stature of its international operations, North America continues to be the primary engine of the firm's growth, with fee income in the region up a very robust 15 percent last year. The firm remains a powerhouse the key markets of New York, Chicago, and Washington, D.C., and in Minneapolis; has a strong presence in New England, Dallas, Seattle, and Baltimore; and is growing its California, Canada, Miami and Detroit operations. In D.C., meanwhile, the Weber Shandwick brand works alongside government affairs powerhouse Cassidy & Company, public affairs specialist Powell Tate, and research firm KRC to provide a well-rounded strategic offering. Weber Shandwick has a strong presence in Canada, with offices in Calgary, Ottawa, Toronto and Vancouver.

INTERNATIONAL REACH

It was another year of steady if not spectacular growth for Weber Shandwick in Europe, with revenues across the region up by about 7 percent for the year—and margins improving too—as the firm continues to cement its position as one of the two or three leaders in the region. The firm is one of only a handful of firms that can say with confidence and credibility that it has real strength in all the three most important markets in Europe: the U.K., Germany and Brussels. And there are formidable operations in the other key markets: France, Italy, Spain, and the Netherlands. Weber Shandwick was named Asia-Pacific Network of the Year at the

Asia Pacific PR Awards in 2007 and didn't rest on its laurels in 2007, as revenues increased by 30 percent. That's enough to place Weber Shandwick among the top four in the market, with regional coverage to rival any of its longer-established rivals. The firm has seen its mainland China operations triple in size over the past three years, with more than 140 employees split between offices in Beijing, Shanghai and Guangzhou. But another driver of Weber Shandwick's growth has been its investment in regional hubs Hong Kong and Singapore and the firm also has a team of 50 in Japan.

EXPERTISE

Last year saw double-digit growth across all of Weber Shandwick's major practice areas. The firm's corporate practice continues to be among the industry's very best, with expertise across a wide range of activities from corporate positioning to communicating corporate and brand values to addressing high-profile issues, supplemented by what is probably one of the top three public affairs operations in the U.S. On the consumer front, meanwhile, Weber Shandwick continues to produce surprisingly (for a giant multinational) creative programming, with sports marketing a particular strength. Healthcare, meanwhile, has been the biggest success story of the past few years, with Laura Schoen building a formidable worldwide team (60 percent of its health work is global) in an area that a decade ago was a weak link, and more recently expanding the scope of the firm's work from traditional PR to med ed and more. Finally, the firm's technology practice has continued to expand, becoming more international (60 percent of the top 20 tech clients use Weber Shandwick in multiple geographies) and more corporate (moving beyond the product-driven approach of the late 90s to include executive positioning and corporate reputation work). New groups launched during 2007 focus on clean technology and interactive and social media practice screegrab.

TALENT

The number one priority for Weber Shandwick over the past four or five years has been consolidating a strong senior management team, one that has suffered remarkably little attrition since the merger of Weber, Shandwick and BSMG Worldwide in 2001, and the leadership team is arguably the strongest and the deepest in the industry, from CEO Harris Diamond, chairman Jack Leslie and president Andy Polansky to practice leaders such as Bonin Bough (social media), Cathy Calhoun (consumer), Ranny Cooper (public affairs), Gail Heimann (consumer), Micho Spring (corporate), Laura Schoen (healthcare), and Casey Sheldon (technology). And the firm has continued to make key strategic hires, with new additions in 2007 including Nicolle Wallace, former White House communications director, as executive vice president and Powell Tate; Robert Dowling as general manager in the technology practice; and John Isaf, as senior VP of financial communications in Boston.



CULTURE

Weber Shandwick ranked among our top five Large Agencies to Work For once again, cementing its position as one of the best work environments among the multinational agencies. One respondent to our survey describes the attraction: “My favorite thing about Weber Shandwick is the opportunity for cross-office collaboration, meaning pulling together brains from multiple offices—often internationally—to deliver the best possible strategic thinking to solve a client problem.” Another adds: “I really enjoy the collaboration within the firm. Everyone has input into the brainstorming, planning and strategy portions of the client relationship regardless of title or years of experience. This process provides a great opportunity for us to constantly offer clients the most innovative and fresh approaches to PR; eliminating the notorious cookie-cutter or one-size fits all mentality.” Weber Shandwick was also named among the best places to work in Seattle (by the Puget Sound Business Journal), the Twin Cities (Minneapolis/St. Paul Business Journal), and Chicago (Crain’s).

INTELLECTUAL LEADERSHIP

Last year saw a major investment of time and intellectual energy into a new advocacy-based approach that draws heavily on the “net promoter score” approach of Bain & Co. consultant Fred Reichheld and places a heavy emphasis on a strategic planning process that is designed to create brand or organizational advocates or—in some cases—reduce the number and influence of what the firm calls “badvocates.” Driven in large part by Jack Leslie, the approach is designed to gain insight into the advocacy environment—identifying and mapping potential advocates internally and externally and then finding the most appropriate channels for engagement. The firm is also developing, under the leadership of executive VP Tim Marklein, a new system for measuring advocacy, a process that has already led to a new alliance with social media monitoring company radian6.

PROGRAMS

Weber Shandwick has become one of a handful of A-list firms for big, high-stakes corporate and marketing assignments. On the corporate front, the agency worked with private equity firm Cerebrus on corporate positioning and provided support for its acquisition of a majority stake in Chrysler; helped the healthcare division of scandal plagued Tyco re-launch as Covidien; and provided integrated communications support for the launch of a new universal healthcare plan by the Commonwealth of Massachusetts. On the public affairs front, the firm continued to handle a wide range of corporate public policy work, but is probably most proud of its ongoing work on behalf of the Save Darfur Coalition and the World Trade Center Memorial Foundation. On the consumer front, the firm’s work ranges from social networking and centennial celebration support for GM to sports-related work for clients ranging from American Airlines to Got Milk? (for which Weber Shandwick has created some iconic PR programming over the years) to the U.S. Army. High-profile healthcare programs range from some science-heavy work with Merck Research Laboratories and a 22 country assignment for Celgene around blood cancers.

BRAND

The buzz on Weber Shandwick is overwhelmingly positive, with the consensus opinion among competitors that it is—along with Edelman—one of the top two performers in the market right now. Much of Weber Shandwick’s marketing is focused around its thought leadership work, which includes its ongoing CEO Departures series, which tracks CEO turnover and a new study (The Rising CCO) charting the increased influence of chief communications officers. Those institutional efforts were supplemented last year by the publication of a second book by chief reputation strategist Leslie Gaines-Ross, *Corporate Reputation: 12 Steps to Safeguarding and Recovering Reputation*. And like many of its competitors, Weber Shandwick made a major commitment to improving its environmental performance last year, eliminating bottled water in favor of water coolers, retaining a “green” car service in New York, emphasizing energy efficiency measures.

THE FUTURE

Weber Shandwick is at the top of its game right now, coming off five years during which it was one of the two top firms in the industry in terms of both size and quality. The focus on attracting, developing and retaining top talent and on producing industry-advancing intellectual property should guarantee more of the same in the near future.