

# Global PR networks gain revenues, change strategy

**While membership has waned somewhat among the largest global PR networks, revenues have soared to historic highs. This paradox may highlight a potential philosophical shift in how global PR networks are conducting business; the days of simply adding pins on the map appear to have been replaced with a noticeably more calculated, albeit leaner, attempt to find the right partners with the right skills for the job.**

By Jon Gingerich

The numbers speak for themselves. If there's one takeaway from this year's roundup of global PR network activity, it's the indisputable fact that networks have found a way to do more — much more — with less. Call it quality over quantity. The most likely reason is that networks have grown increasingly savvy and dexterous within the protocols of their own self-sustaining, fiercely self-reliant model, using a preexisting nexus of inner-network contacts to share information, expert access and future business opportunities with better results.

One of the benefits of being part of a global PR network has always been the ability to offer clients global expertise while retaining fluency in the nuances of local markets. This is still the case. However, executives told *O'Dwyer's* that networks today have become more adept at utilizing the skills and expertise of fellow firms, by both diversifying their roster of partners and relying on legions of thought leaders within their ranks. The result is a culture of integration that has grown increasingly pervasive within global networks, one that strengthens existing ties and offers better services to their clients.

## Worldcom maintains lead

The largest of the global networks, Worldcom saw combined revenues for its agency partners exceed \$340 million in 2012, a bold surge from 2011's comparatively humdrum \$227.5 million (which revealed a dip from the network's combined 2010 revenues of \$264 million). The network now claims a total workforce of 1,900 professionals in 125 offices, in 102 markets across six continents.

In the midst of these exciting figures, new partner gains lagged in 2012. Worldcom lost several members in the U.S., Asia and Middle Eastern markets last year, while remaining flat in South and Central America. However, the network in October found itself gaining two new partner agencies in Europe: Blumen Group in Belgrade, Serbia, and Manifesto Communications Group in Istanbul, Turkey.

"I think the growth we're seeing now is

just more steady and measured," said Worldcom Americas Region Chair Todd Lynch. "In the past, there were times when membership would either go way up or way down, and there was generally a lot more uncertainty in the market coinciding with these swings."

Lynch, who is Vice President and Director of Public Relations at St. John and Partners in Jacksonville, Florida, said that going forward, Worldcom is "proactively looking" to add partners in the Asia/Pacific region, as well as markets in Latin America, India and China.

"These conversations are coming about in two ways. On one hand we're proactively searching for member firms, but a lot of people are picking up the phone and calling us. I'd say that for us, specifically, Latin America is a good base, and has been for a few years, and we're committed to finding and attracting talent within the Asia/Pacific region and EMEA (Europe, the Middle East and Africa) regions as well."

When searching for additional partners, Lynch noted that industry practice has become just as important — sometimes more important — of a variable as geography. Part of the reason for this comes down to simple practicality: if a network currently maintains, for example, a tech agency in New York or a travel agency in Florida, it doesn't make sense to double up identical practice efforts in the same region. One major benefit of operating a partnership in an increasingly shrinking world, Lynch said, is the fact that agencies willing to combine talents, resources and ultimately tackle issues together can excel in ongoing professional development to serve existing clients and attract new business.

"That idea of getting the best practices from the different partners, that model is our DNA, it's the very foundation of our partnership. I think that's why more companies are buying into the network model. There's simply less question on whether it works anymore. The idea of having expertise, key geographical location, senior leadership, entrepreneurial capabilities combined with the agility of independent firms works well for us, as well as our clients. The recognition and value of the flexibility it

offers is unparalleled, if only for the fact that the client isn't paying for all the other offices but they're getting all their best services and expert counsel."

## IPREX continues climb

Combined partner revenues for IPREX reached nearly \$250 million during 2012, a big uptick from 2011's revenues of \$200 million, which similarly saw gains from 2010's \$173 million.

The network maintains 75 partners in 119 offices across the globe. In a vein similar to Worldcom, IPREX also experienced a slight dip in membership this year, shedding three partner firms in the U.S., while remaining flat in Europe, Asia, Pacific and Latin and South America. The network recently added new partners in The Netherlands (Creative Venue PR), India (Percept Profile), and the U.S. (Susan Magrino Agency).

IPREX Global President Kathy Tunheim said the network's leaner roster has not affected the noted strength of its ever-growing bottom line.

"It was a good year," Tunheim said. "We've grown by only a couple of members, but what's really important from our perspective is we don't measure growth by how many members we have, but we ask ourselves if we have the right set of partners to support each other."

Tunheim, who is CEO of Tunheim Partners in Minneapolis, distanced IPREX from the bigger-equals-better notion that often pervades conversations on global interconnectivity.



Worldcom Americas Region Chair Todd Lynch



IPREX Global President Kathy Tunheim

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"We've pivoted past the idea of building seats," Tunheim said. "The truth of it is, when you're looking at America or Asia you don't need an office in every area. What you really need is a strong set of agencies that have competencies in that region."

Tunheim said PR firms with practices in energy/sustainability, social media, and healthcare (especially in the Americas) are of current interest to the network.

"We're beginning to ask our partners which areas make more sense for everybody. I would never say geography is inconsequential, because it's good to have local intelligence in local markets, but increasingly it's not the driving factor. It's a relatively large and sophisticated conversation and I think we're in the early stages of it, but I think the key questions is: what make sense for us to do together, as a network?"

#### **PRGN gains most new members**

PRGN has come a long way. The network, which recently celebrated its 20th anniversary, now boasts 46 total independent member firms, accounting for more than 1,100 PR professionals in 47 cities worldwide.

PRGN gained more members than Worldcom or IPEX this year, winning two new partners in Europe (The We Agency, based in France, and Goodwill Communications, based in Hungary) as well as new members in Portugal (Global Press), Chile (RumboCierito Communications), Japan (Integrate Communications), and a yet-unannounced new partner in South Korea. Member growth remained flat in the Middle East and Africa regions, and the network lost two partners in the U.S.

Combined revenues of PRGN partner firms exceeded \$110 million in 2012, not counting revenues of new member firms.

"We're really growing," said PRGN President David Landis. "I think the fact that we're expanding is a really good indication about our incredible leadership team and the talent we have with some of the best independent agencies in the business."

Landis, who heads Landis Communications, Inc. in San Francisco, said Asia remains an area of interest for the network, as does Africa and South and Central America. More than anything, Landis said PRGN remains primarily focused on strategic, long-term planning. This means looking for new partners where the network isn't currently represented, in disciplines that are exclusive to particular markets.

"Nowadays clients don't care where you live, they care if you have the expertise to get things done," Landis said. "PR is a con-

fluence of many different disciplines, so ultimately we should be offering many different services to as many different clients as possible. The more we can be at the forefront of that discussion, the better. We're always looking for new people in markets where we're not currently represented."

Landis also said corporate responsibility continues to be a growing interest for the network. Recently, after an annual member meeting in Cape Town, South Africa, members of the network went to a nearby village and helped build a home for a family living in the area.

"Corporate responsibility is going to be a priority for the network. We're toying with several ideas in this area at the moment. It might be volunteer efforts, or it might be education, or it might be helping journalists in countries where they've been censored."

#### **PRWA offers new network, philosophy**

The newest of the global networks, PR World Alliance, has been around for only about a year. PRWA is the result of a merger between two previous networks, ECP Global Communications and IPAN (International Public Relations Agency Network). Already, the new network boasts 20 members in 13 countries.

The network holds a strong European presence — with 15 member firms in that region — as well as recent partners added in Brazil and the U.S. Combined 2012 revenues for the partner firms were just under \$50 million.

PRWA Chairman Perran Ersu, Founder of Persona Communications in Istanbul, Turkey, said the network has an interest in virtually every market, but maintain a special focus on markets that have experienced economic growth in recent years. China, Russia, India and South America are specific regions winning the network's attention.

Going forward, Ersu reiterated claims by other network executives, saying PRWA doesn't maintain a geographical focus nearly as much as finding the right firms with whom they can share expertise and resources for the sake of meeting clients' needs.

"Right now we have great variety, and one of the reasons we have such a great variety is we have firms that are strong in many different interest areas. We have a good spread that has allowed us to tackle a variety of issues. A few might take the lead doing one thing, and a few might take the lead doing something else," Ersu said.

Henry Feintuch, Founder and President of PRWA member firm Feintuch Communications, said close business and personal relationships in the network have provided a culture conducive to

PRWA's integrated philosophy of sharing resources across agencies. In a way, members consider themselves members of each other's firm.

"We're looking to distinguish ourselves not by simply being a referral network, but by developing branded products that will be commonly marketed by members of PRWA around the world," Feintuch said. "I don't run a consumer PR firm, but with PRWA I've got the support of 100 people who excel in that discipline, so if a client comes along and I need expertise in that area I can put a team together, and this model really works well."

"It's never been our intention to compete on size, but to have the best breed of independent PR firms focusing on client experience," Feintuch continued. "The commitment members make when joining PRWA is a commitment in offering senior counsel and senior level experience in everything we do."

#### **Pinnacle shuts doors**

The oldest PR network, Pinnacle made headlines several months ago when it was reported the network appeared to have shuttered its doors.

Founded in 1976, the Minnesota-based network had apparently been wracked with financial difficulties and the subject of mass defections. *O'Dwyer's* in December reported that the network's website was no longer operational.

Interestingly, shortly before closing its doors Pinnacle appeared to be showing signs of a rebound, bringing its roster of partner firms back up to nearly 50 in 2012, a bold surge from its 31 member-count in 2011. This was primarily the result of a strategic partnership with European PR consortium 27 and More, which brought Pinnacle's partner list in Europe from three in 2011 to 19 in 2012.

It had been hypothesized that one reason for the network's closure had to do with high membership cost, which allegedly included a \$5,000 initiation fee and quarterly dues of \$1,000. In December, Pinnacle founding Partner Joe McCarthy told *O'Dwyer's* that plans are being drawn to revive the network. ●



PRGN President  
David Landis



PRWA Chairman  
Perran Ersu