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## CRISIS MANAGEMENT

# A Bit of Good News for Communicators: Crises Are Predictable and You Can Plan for Them

“I’m too busy. I’m working on a crisis.” You might have heard that phrase last week had you attempted to get in touch with a communicator at an insurer, a pharmaceutical firm or a hospital conglomerate.

We’re, of course, referring to the announcement from **Amazon**, **Berkshire Hathaway** and **JPMorgan Chase** that they are working “on a long-term effort” to create “an independent company...free from profit-making incentives and constraints.” Their goal is to reduce healthcare costs for employees and families of the companies and possibly all Americans. That’s a wonderful thing if you work for one of those companies. If you’re a healthcare provider or a competitor of one of the three companies, it’s a crisis. But is it really?

### REALITY VS. FALSE PERCEPTION

Goodness knows the PR profession (this publication included) plays fast and loose with the word “crisis.” But knowing when you’re in a crisis is more than a semantics issue.

This is one of the first points made by **Kevin Elliott**, U.S. director, risk & crisis communications practice at **Hill + Knowlton Strategies**, and **Francesca Trainor Alt**, EVP, group head of crisis and risk, **Edelman PR**. To them, something is a crisis when two of these three criteria are met:

1. It has the ability to take an inordinate amount of resources and time to manage
2. It may pose a lasting threat to the brand or the company



**Kevin Elliott**  
 U.S. Director,  
 Risk & Crisis  
 Communications  
 Practice,  
 Hill + Knowlton  
 Strategies

3. It poses an existential threat to the enterprise: we may not be able to continue business-as-usual for even a limited time

One of Elliott’s favorite crisis aphorisms is apt: “If you treat a bad day like a crisis, you’ll turn it into one. And if you treat a crisis like a bad day, you’ll make it worse.”

This last point relates to acceleration, which, he concedes, “is a soft skill” with “a bit of subjectivity to it,” but is essential. Accelerants must be monitored and assessed or they can lead to a full-blown crisis, he says.

These accelerants include **victims**. “Don’t think about how you or your organization perceive the victims of a crisis, think about how the public will perceive them,” he says. **Imagery** is another accelerant, he says, pointing to the video of **Dr. David Dao** being dragged from an aircraft. “The imagery propelled the” **United Airlines** crisis, he says. There’s also **irony**: an organization that prides itself on data safety and then is hit with a safety failure (think **Equifax**).

“If you’re a communicator, you probably have the proxy of the public.” You have to monitor accelerants, advise management “and be truthful” about how [the accelerants] are being seen in “the outside world.”

### GOOD NEWS: PREDICTABILITY AND PLANNING

While we know crises can and do move rapidly and can ruin a brand’s reputation in seconds, the good news is crises are

*Continued on page 3*



**Editor,** Seth Arenstein, [sarenstein@accessintel.com](mailto:sarenstein@accessintel.com)  
**Editorial Director,** Steve Goldstein, [sgoldstein@accessintel.com](mailto:sgoldstein@accessintel.com)  
**Graphic Designer,** Yelena Shamis, [yshamis@accessintel.com](mailto:yshamis@accessintel.com)  
**Executive Editor,** Jerry Ascierio, [jascierio@accessintel.com](mailto:jascierio@accessintel.com)  
**Senior Content Manager,** Sophie Maerowitz, [SMaerowitz@accessintel.com](mailto:SMaerowitz@accessintel.com)  
**Assistant Content Manager,** Samantha Wood, [swood@accessintel.com](mailto:swood@accessintel.com)  
**Director of Marketing,** Laura Snitkovskiy, [lsnitkovskiy@accessintel.com](mailto:lsnitkovskiy@accessintel.com)  
**Marketing Manager,** Jessica Placencia, [jplacencia@accessintel.com](mailto:jplacencia@accessintel.com)  
**VP of Marketing,** Amy Jefferies, [ajefferies@accessintel.com](mailto:ajefferies@accessintel.com)  
**SVP/Group Publisher,** Diane Schwartz, [dschwartz@accessintel.com](mailto:dschwartz@accessintel.com)  
**Chief Operating Officer,** Heather Farley  
**President & CEO,** Don Pazour

Group Subscriptions — Carol Brault, [cbrault@accessintel.com](mailto:cbrault@accessintel.com)  
 Additional Copies & Article Reprints — Contact Wright's Media, 877-652-5295; [info@wrightsmedia.com](mailto:info@wrightsmedia.com)



Published weekly by Access Intelligence, LLC  
 9211 Corporate Blvd, 4th Floor  
 Rockville, MD 20850

Client Services:  
 Phone: 888.707.5814 · Fax: 301.309.3847  
 e-mail: [clientservices@accessintel.com](mailto:clientservices@accessintel.com)

New York Editorial Office:  
 40 Wall Street, 50th floor, New York, NY 10005  
 Phone: 212.621.4890 · Fax: 212.621.4879

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**FEBRUARY 21, 2018**  
 1:30-3:00PM ET

**THE SOCIAL MEDIA SUMMIT**  
**FEBRUARY 22-23, 2018**  
 HUNTINGTON BEACH, CA

**SPRING AWARDS LUNCHEON (HONORING THE CSR AND NONPROFIT AWARDS)**  
**MARCH 20, 2018**  
 NEW YORK CITY

# Workplace Culture, CEO Activism, Fake News Seen Critical to Brand Reputation

Along with **Edelman's** annual *Trust Barometer* (PRN, January 30, 2018), the **Reputation Institute's** yearly RepTrak rating of brands' value is eagerly awaited in the PR community. Set for mid March, this year's report will show several reputational factors are newly invigorated.

For example, CEOs must be active on important social issues, **Stephen Hahn-Griffiths**, Reputation Institute's executive partner and chief research officer, says. He points to the reputational importance of **Google CEO Sundar Pichai's** comments about U.S. immigration policy in January 2017.

Hahn-Griffiths also notes the importance of brands dealing quickly and expertly with fake news and rumors. His example is the **Starbucks** incident last August (see chart, bottom), where a rumor on social media said the brand was offering dreamers 40% off their coffee.

Third, with a tight recruiting market, he says, being "an employer of choice" will be highly valuable. As the chart below shows, 40% of reputation weight is defined by the so-called intangible factors of workplace culture, leadership and citizenship. ■

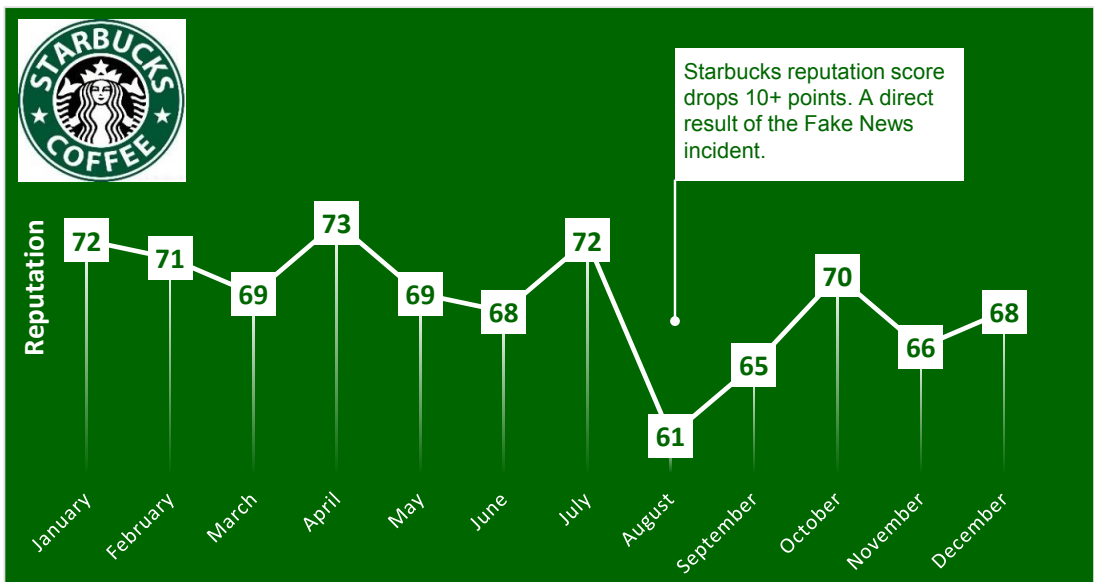
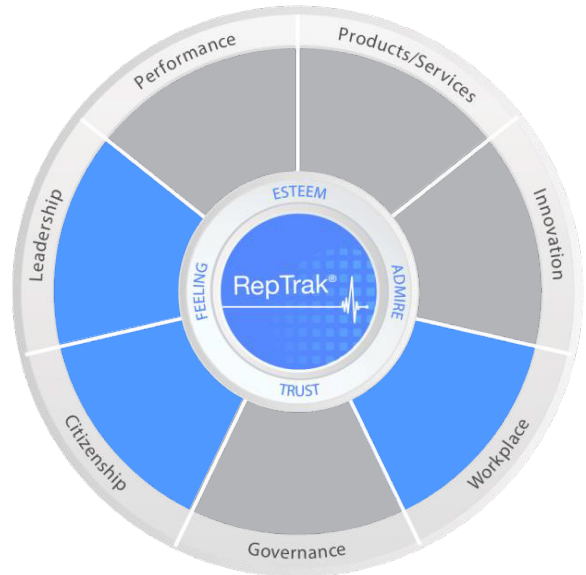
## Employer Of Choice



A key reputational metric defined by company culture:

40%

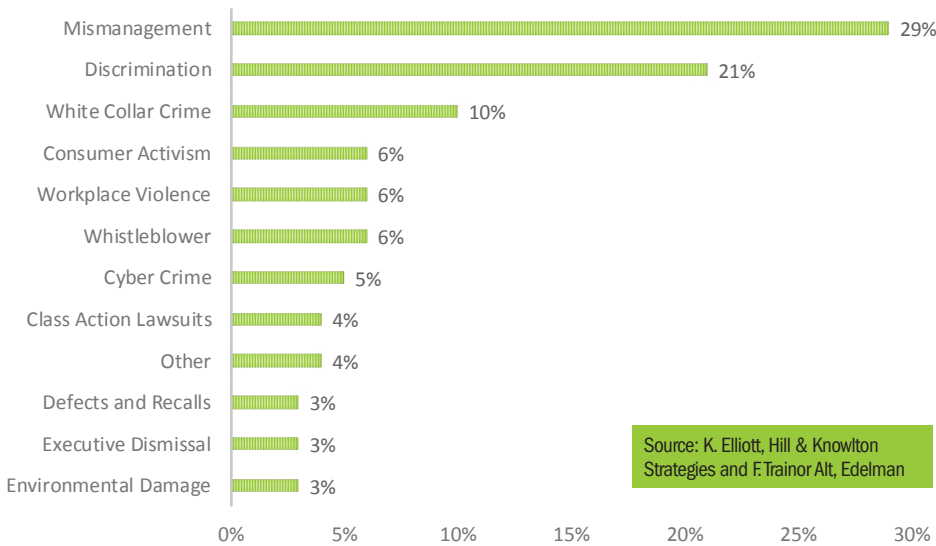
of reputation weight is defined by workplace, leadership, and citizenship.



Source: Reputation Institute

# Crisis Pros Recommend Holistic Approach

## The Human (Mis)touch: Causes of Crises, 2017



predictable. “They have a pattern. They take a predictable course—you can see them as they’re accelerating.”

### WHAT WENT WRONG?

Speaking of patterns, Trainor Alt offers more good news: The “root causes” of most crises in 2017 were “people issues” such as mismanagement, improper standard setting and poor governance, as the chart above illustrates. Notice how low cybercrime is here. That’s expected to rise in the years ahead, of course, she says.

### PREEMPTIVE MINDSET AT THE TOP

For Trainor Alt, it’s crucial for organizations to embed “a preemptive mindset” as opposed to the more traditional risk-avoidant culture and crisis management framework. Making certain an organization is risk intelligent, she says, begins with robust CEO leadership and senior executives who understand risk and reputation and are able to integrate this knowledge into strategy, processes and culture.

How an organization prepares and responds to incidents and crises “makes all the difference in how long-lasting the impact of these events are on a company’s health and resilience,” she says. “Planning is indispensable.” This includes monitoring, preparation and rehearsal.

Unfortunately, this is a hurdle. A PR News survey, conducted well before crises such as **Harvey Weinstein/Matt Lauer**, Equifax, **Larry Nassar/USA Gymnastics** and **Wells Fargo**, showed only about 50% of companies had a crisis plan; even fewer conducted rehearsals and training sessions (PRN, March 8, 2016).

A 2017 study from **Deloitte** (see chart below), echoes the theme of unpreparedness. It adds the perspective of board members who believe their companies are prepared for crisis. The reality is on the right side of the chart. Look at the last line: 49% with a crisis playbook. Just 26% of those addressed rumor or fake news in their plans, a major concern

Continued on page 4

## Crisis Preparation: Perception vs. Reality

**76%** of board members believe their companies would respond effectively if a crisis struck tomorrow

**73%** of board members named reputation as a vulnerability

BUT ONLY

**39%** had a plan to address reputation risk

**49%** engaged with management to understand what has been done to support crisis preparedness

**32%** said their companies engage in crisis simulation or training

**49%** have a crisis playbook in place

Source: K. Elliott, Hill & Knowlton Strategies and F. Trainor Alt, Edelman (Deloitte study immediately above)

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of leaders. In addition, the 49% includes certain firms (oil, gas etc) that must have crisis plans by law.

## SO, WHAT TO DO? A HOLISTIC APPROACH



**Francesca Trainor Alt**  
EVP Group Head  
of Crisis and Risk,  
Edelman PR

Trainor Alt speaks of an holistic approach to crisis and risk that's aligned with business priorities. Its elements:

**1. Strategic & cultural integration:** Assure your company is risk-intelligent from the top and throughout the organization. Make certain you have the right board oversight and effective governance. "As a result, you are enabling risk taking to create value and not just avoid or mitigate [crisis]. It's about protection but also about promoting evolution."

**2. Risk sensing and readiness:** Today there's a more sophisticated advancement among leading companies in ensuring the preemptive mindset, she says. A question to ask: What are the risk-sensing technologies and analytics that need to be adopted?

While we know data is a term some communicators prefer to avoid, Trainor Alt and Elliott say beginning a crisis preparation plan with collecting data about "identification of risks...and understanding perceptions of stakeholders" is important. Also make sure you're conducting a 360-degree review of stakeholder perceptions throughout a crisis, from start to finish, she says.

You also must ensure you're conducting sophisticated planning for crisis scenarios, she says. "Just having an enterprise plan" for a generic crisis is no longer acceptable. Training also comes under this heading, she says.

**3. Engagement and response:** Here's where communicators need to ensure there's alignment within an organization in advance about risk-tolerance levels. During the moment of firestorm is not when you want to debate whether or not something is a crisis and "how far are we prepared to go before we take a different course of action?" Thinking through all that strategically in advance "is critical," she says.

**4. Trust and recovery:** This refers to knowing "in advance" about relationships. Knowing who influences your stakeholders and your reputation. Who is a credible source of media and can help you recover from a crisis.

## WHAT NOT TO DO IN ADVANCE

While training and working on aspects of preparedness (as outlined above) are critical, Elliott cautions it is possible to prepare certain elements "too much" and use precious crisis-training time unwisely. For example, 10 years ago, when updating websites was clunky and time-consuming, the standard advice was to have a full dark site with crisis information in reserve. Now, when content can be dropped quickly into sites and updating sites is relatively fast, your crisis preparation time is "much better spent" elsewhere, such as "training...that's the part that's going to bite you if you don't do it well," Elliott says.

Still, having easy-to-access digital content is important, he says, including a good library of images and schematics so you can explain your story visually during a crisis. ■

**CONTACT:** @kevinrelliott @francesca152

# Top Biz Influencers Go for Quality Over Quantity

This week's late 2017 data review turns to influencers in the business category. Once again, data is provided to *PR News* exclusively from data partner **Shareablee**.

As we saw in the previous year-end editions of B2B, B2C and nonprofits in our January editions, content creators in 2017 emphasized quality over quantity. Business influencers registered growth in consumer engagement, or actions, by posting about 12% fewer pieces of content on **Facebook, Instagram** and **Twitter**. In all, business influencers generated 562 million consumer actions, up 19% year over year.

Consumer engagement with videos in this category also rose, by 13%, says **Ron Lee** of Shareablee.

In the spirit of efficiency, it's fitting the most-engaged influencer was **Strive Masiyiwa** of Zimbabwe (photo 1, page 1) of Zimbabwe, who generated 74 million consumer actions, all on Facebook. His 210% year-over-year increase in consumer actions was accomplished with just a 7% increase in content.

**Donald Trump Jr.** also posted fewer pieces of content in 2017 (down 23% vs. 2016), yet saw a 135% increase in consumer actions. He also led in content shared, Lee says. ■

Shareablee		SOCIAL SCORECARD			
TOP BUSINESS INFLUENCERS – 2017					
Based on Total Actions (reactions, comments, shares, retweets and likes) Data provided exclusively to PR News by Shareablee.					
Sources:					
Rank	Influencer	Total Actions	Total Content	Actions per Content	Total Audience
1	Strive Masiyiwa	73,579,971	90	817,555	2,539,592
2	Donald Trump Jr.	48,169,166	2,241	21,494	4,152,618
3	Elon Musk	35,595,430	462	77,046	12,895,610
4	Russell Simmons	20,764,314	5,244	3,960	8,852,864
5	Alberto Ciurana	19,618,959	25,670	764	3,258,791
6	Ahmed Abou Hashima	18,136,789	802	22,614	3,759,896
7	Martha Stewart	15,841,695	11,947	1,326	7,536,650
8	Richard Branson	12,234,368	6,145	1,991	15,667,285
9	Bill Gates	9,702,374	534	18,169	55,860,368
10	Eric Trump	7,487,256	444	16,863	2,470,154

# DiGiorno Combines Facial Analytics With Social Listening to Get to Heart of Consumer Experience

Did you know 74% of Americans order a takeout pizza or a delivery pizza at least once a month? The was not news to the folks at **DiGiorno**, who used it to spur research in the expanding area of facial analytics.

You might recall we told you the brand used facial recognition technology to measure happiness of participants at pizza parties it staged in the NY area (PRN, May 8, 2017). The technology showed people were happiest when they smelled pizza baking.

As it promised, DiGiorno has continued its work in this promising area. It also added a wrinkle, augmenting its work with a social media listening component.

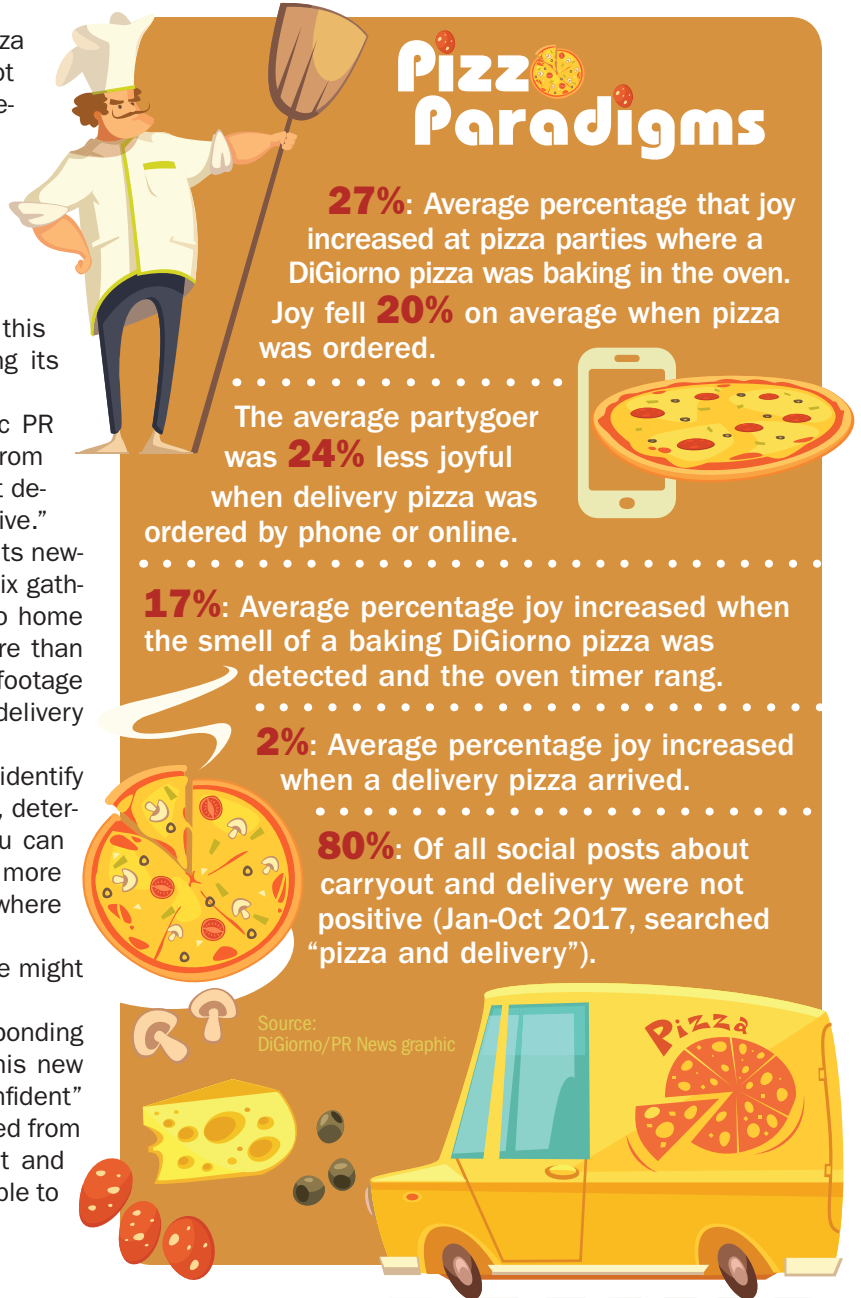
As you can see at the bottom of the infographic PR News designer Yelena Shamis cooked up with data from DiGiorno's latest research, 80% of social posts about delivery and carryout pizza during 2017 "were not positive."

DiGiorno marketing manager **Steven Frye** tells us its newest data collection consisted of video footage from six gatherings of friends and families at a suburban Chicago home in December 2017. "The room was set up with more than 20 high-resolution hidden cameras" that captured footage of guests while DiGiorno pizza baked in the oven or delivery pizza was ordered from national chains, Frye says.

Google's Vision API software analyzed footage "to identify patterns in emotion, such as smiles and frown lines, determining how much happiness was generated." As you can see in the infographic, partygoers experienced 27% more joy when pizza was baking in the oven. At parties where pizza was ordered, joy dropped 20%.

The social data about the delivery pizza experience might explain the reduction in joy the footage shows.

DiGiorno's Frye provided few facial cues when responding to our question about how the brand plans to use this new information in its marketing effort. DiGiorno is "confident" that "we have a superior pizza because it is fresh-baked from the oven. We'll continue to express this in different and creative ways." The PR News staff stands ready and able to participate in future DiGiorno research efforts. ■



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Enter Online: [prnew.se/platinum-18](http://prnew.se/platinum-18)

# PR News Data: 30% of PR Pros Say It Would Take a Crisis for C-Suite to Fully Buy Into PR's Value

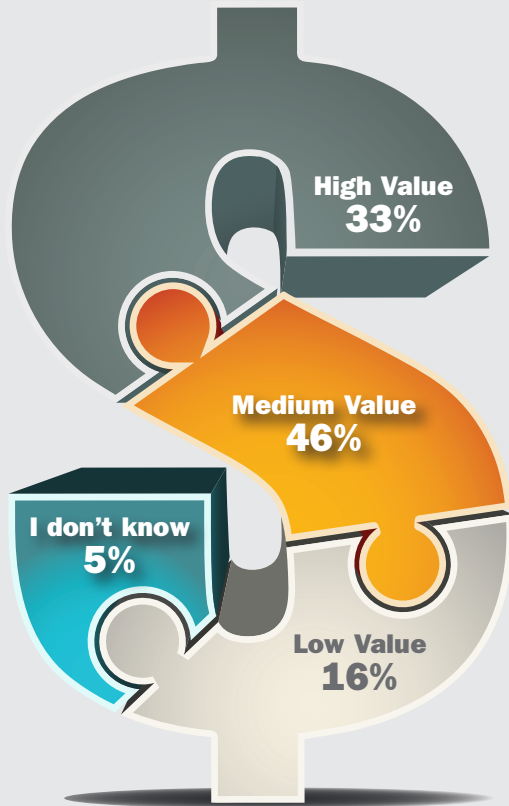
As a communicator or marketer, you can earn the respect of colleagues, competitors and the public, but that may mean little if company higher-ups don't see your value.

That was part of the impetus behind a January 2018 PR News survey of 200 communicators. We wanted to gauge PR

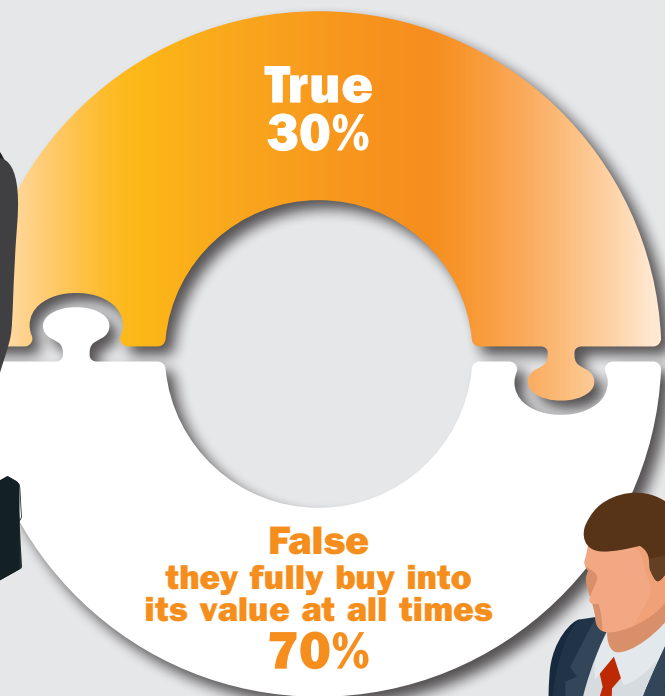
pros' perceptions of what the C-suite thinks of communicators.

As you can see from the infographic, there's good news, although it could be better. 33% of those surveyed felt their C-suites valued their digital content and social media efforts

## HOW MUCH DOES YOUR C-SUITE/BOARD OF DIRECTORS/TOP CLIENT VALUE YOUR DIGITAL CONTENT AND SOCIAL MEDIA EFFORTS?



## True or false: It would take an in-progress reputation crisis for my senior leaders to fully buy into the business value of the communications function



## WHEN REPORTING THE RESULTS OF COMMUNICATIONS INITIATIVES, DO YOU REPORT METRICS THAT YOUR COMMUNICATIONS PEERS UNDERSTAND OR BUSINESS INSIGHTS THAT YOUR SENIOR LEADERS CAN EASILY DIGEST? (SELECT ALL THAT APPLY)



Source: PR News/200 respondents (Jan. 2018)

highly. On the other hand, nearly half (46%) feel their C-suites see these efforts as a “medium value” proposition. Also troubling, 21% don’t know what the C-suite thinks of these efforts or believe it sees them as low value.

Results from the second question also offer a mixed bag. It’s wonderful that 70% of communicators surveyed believe their C-suite fully appreciates the importance of the communications function. Yet 30% say their C-suites would need to experience a reputation crisis to fully buy into the value of what communicators offer.

Most (68%) of the 200 communicators who responded had more than 6 years experience; 40% were veterans of 20 or more years on the job.

We asked a group of senior PR pros who will be speaking February 22-23 during *PR News’ Social Media Summit* at the **Hyatt Regency** Resort and Spa, Huntington Beach, CA, [<http://bit.ly/2BcUpkc>] to react to the survey’s results.

## MOSTLY UPBEAT REACTIONS



**Ken Peterson**  
Communications  
Director  
Monterey Bay  
Aquarium

**Ken Peterson**, senior communications strategist, **Monterey Bay Aquarium**, encapsulated the generally upbeat mood of the communicators.

“I’m encouraged to see that [communicators feel] senior company executives by and large recognize the value of communication—including social media—to the success of their enterprises,” he says.

Peterson adds that the media landscape is changing “dramatically, as is the pace at which information and misinformation can spread.” Communicators, he says, must be able to use “the new tools and channels through which we can get our messages out. It’s the best way for us to serve those we represent.”

## PR’S CHANGING FACE



**Lauren de la Fuente**  
Vice President,  
Marketing +  
Communications  
Boingo Wireless

**Lauren de la Fuente**, VP marketing & communications at **Boingo Wireless**, sees in the survey’s results how “the role of communications in business has moved from publicity to a highly valued strategic contribution that moves the business forward.” As such, “It’s good to see that [communicators feel] 70% of senior leaders buy into the business value of the communications function.”

De la Fuente’s task is easier than some PR pros in that Boingo’s senior leadership team “gets the value of communications, and how we tell our story to an audience that includes investors, clients, employees, and more.”

## FIELD WORK

The survey’s findings were particularly relevant to **Nisha Morris**, executive director of PR for **Providence St. Joseph Health**, a Catholic health system with 50 hospitals in 7 states.



**Nisha Morris**  
Executive  
Director,  
Communication  
Providence St.  
Joseph Health

“When I came to Providence St. Joseph Health, I spent my first six months putting programs in place to show the value in PR to executives who traditionally supported reactive versus proactive PR efforts,” Morris tells us. These executives now are PR champions, she reports.

Morris, who believes most C-suite executives would value PR “if they’re shown the right results,” adds healthcare now is shifting to understand the importance of proactive PR. The industry, she says, “views media as an entity to build relationships with and leverage.”

## TRADITIONAL PR VS DIGITAL PR



**Carrie Bratcher**  
Public Relations  
& Social Media  
Strategy Leader  
Hallmark Cards

**Carrie Macquaid Bratcher**, public relations & social media strategic leader at **Hallmark Cards**, found the poll results uplifting in that a “large number of C-level and executives value digital content and social media” despite measurement issues social media faces.

For so long communications professionals struggled to show ROI and the value of social media efforts in comparison to the work they do with traditional media. At this point, she says, it’s good news that brands have adopted the concept of measuring the value of social media “on its own merits.”

## A CAUTIONARY NOTE



**Andrew Bowins**  
Executive  
Director,  
Corporate  
Reputation  
& Digital  
Engagement  
KPMG

**Andrew Bowins**, executive director, corporate reputation and digital engagement, **KPMG LLP**, acknowledges the progress PR has made as indicated in the survey, yet he notes the need for caution. Bowins warns of becoming “over-reliant on the technology, tools and artificial intelligence that allow us to publish, measure, syndicate and push content in an always-on news environment.”

The savvy communicator, he adds, “is wary of content pollution.” Bowins also notes the need to “rely on our experience, insights and relationships to ensure the continued rise of the humans in this age of digital and that our seat at the table stays secured.”

Turning to the reporting question, Macquaid Bratcher notes the importance of early goal setting to have success later with measurement.

“With social media there are so many metrics you can get lost in,” she says. Her advice to communicators is to set clear goals that allow you to focus on metrics that matter to you and your executives and that drive business results. ■

Contact: [KPeterson@mbayaq.org](mailto:KPeterson@mbayaq.org) [ldelafuente@boingo.com](mailto:ldelafuente@boingo.com)  
[Nisha.Morris@stjoe.org](mailto:Nisha.Morris@stjoe.org) [Carrie.Bratcher@hallmark.com](mailto:Carrie.Bratcher@hallmark.com)  
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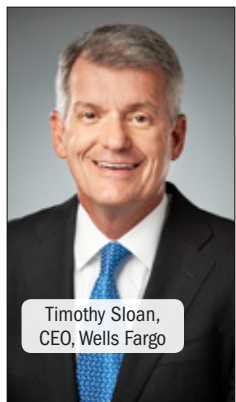
Senator Jeanne Shaheen, D-NH

**1. Political Gymnastics:** The cliché “a crisis can ruin your reputation in seconds not hours” so far has failed to apply to one part of the gymnastics scandal. Perhaps it’s a slow boil, but board members of the **U.S. Olympic Committee** (USOC) have escaped tangible consequences (read: they’ve kept their jobs). Late last week **Sen. Jeanne Shaheen** (D-NH) and **Sen. Joni Ernst** (R-Iowa) called for USOC CEO **Scott Blackmun** to step down in the wake of the gymnastics scandal. The lawmakers based their action on reports USOC knew of **Dr. Larry Nassar’s** years of abuse and did nothing about it. Our take: If USOC didn’t know, its leader and board *still* should be ousted. Glad the Hill has caught on. The lawmakers also want a Senate special committee to investigate USOC and **USA Gymnastics** (USAG), whose board departed last month (PRN, Jan. 30).

**2. ‘USOC Doth Protest Too Much, Methinks.’** As **Kevin Elliott**, U.S. director, risk & crisis communications practice, **Hill+Knowlton Strategies**, says in our lead story, irony can be an accelerant for crisis. Perhaps USOC’s defiant attitude in condemning USAG led senators (above story) to raise the heat on Blackmun and USOC. Moments after Nassar was sentenced Jan. 25, USOC blasted USAG, demanding its board resign and calling for the group’s culture to undergo a “fundamental rebuilding.” Yet USOC apparently did nothing to stop Nassar’s reign of abuse. In addition, no USOC member was in the courtroom when some 150 athletes spoke out against Nassar prior to his sentencing. Blackmun apologized for that absence in a letter, but failed to acknowledge directly USOC’s failure to police Nas-

sar. Instead he wrote to the athletes, “The Olympic family is among those that have failed you.” Should Blackmun and his board be forced to step down, their defiant stance could be seen as a failed attempt at misdirection à la **Kevin Spacey**. The actor attempted to deflect attention from his alleged predatory activities by using his apology statement to break news that he’s gay (PRN, Oct. 31, 2017).

**3. All’s Not Wells. Still.** Our apologies for referring again to **Kevin Elliott**, U.S. director, risk & crisis communications practice, **Hill+Knowlton Strategies**, but the man makes some great points. To paraphrase something he says in our



Timothy Sloan, CEO, Wells Fargo

lead article, If you treat a crisis like a bad day, you’ll make it worse. Is former **Wells Fargo** CEO **John Stumpf** the paradigmatic example of treating a crisis like a bad day? Recall his initial response to the September 2016 bogus credit card scandal (now at 3.5 million accounts) was to downplay it as an aberration. He insisted the bank’s culture was clean, despite having had to fire more than 5,000 employees over the faux credit card incident. Recall, too, how poorly this attitude played on Capitol Hill. Stumpf became a former CEO very soon after that. Yet many critics say his laissez-faire attitude continues at Wells, where **Timothy Sloan**, a Stumpf deputy, now is heading things. Those critics received evidence to bolster their opinion late Friday when the **Federal Reserve** blasted Wells with an unprecedented punishment, ordering it not to grow beyond its 2017 asset levels. In gross terms, this means the bank can’t write new loans, **CNBC** reports. The bank also will need to replace 4 board members and improve its governance, risk management and board oversight, the Fed said. Analysts say the penalties could cost Wells \$400 million in earnings this year.

**4. Growth: Hawkins International Public Relations** of NY opened a West Coast office in LA and named managing director **Lucy Zepp** (photo 3 page 1) to lead it. – **Henson Consulting** rebranded as **Agency H5** as it moves from traditional PR to an integrated marketing and communications agency. – Women-owned advertising/marketing firm **Osborn Barr** joined the **MAGNET Global Network**. – The **National Urban League** will begin a podcast Monday called *For the Movement* designed to “elevate the discussion of policy, social and civil rights issues affecting African Americans and communities of color.”

**5. Platform Prater: Instagram** said Jan. 30 it would begin allowing brands to schedule posts through **Hootsuite**, **Sprinklr** or **Sprout Social**. Eventually the ability to schedule will be extended to people. The challenge for marketers and communicators will be to craft messages in a way that enhance the Instagram experience. – Former **Facebook** and **Google** employees formed the **Center for Humane Technology**, designed to highlight tech’s dangers and possible depression resulting from heavy social media use. Look for ads, websites and a congressional report on social media and children’s health.

**6. People:** Congrats to our friend **Jill Zuckman**, named D.C. president of public affairs at **SKDKnickerbocker**. **Kerri Lyon** (photo 2, page 1) was named president of public affairs for NY. – Congrats to the **Plank Center for Leadership in Public Relations** on its 13th birthday Feb. 4. And the same to **Moss Networks** on 15 years in business. ■



Jill Zuckman, President, D.C. Public Affairs, SKDKnickerbocker