

KALEIDOSCOPE

EXPLORING THE MANY FACETS OF PUBLIC RELATIONS

Spring 2005



The PR Profession In Crisis

by Anne Sceia Klein, Fellow PRSA

Recently, a handful of public relations firms have been severely criticized – and some are even under government investigation – for alleged over-billing for services and for paying media personalities to promote causes without identifying that they were paid spokespersons.

All industries are under pressure to perform – to raise profitability and produce results. But in the process, have ethics and integrity been rationalized or disappeared altogether? We have seen it happen in companies like Enron and Worldcom. Now, sadly, the trend seems to be creeping into the public relations industry. And we're the very people who are supposed to be providing advice and counsel on doing the right thing!

Public relations counselors need courage – the courage to tell their bosses or clients that the short-term gains from shady practices can cause a decade of tarnished reputations.

(Continued on last page.)

Honors

MOSCATELLI RECOGNIZED BY PRSA PHILADELPHIA CHAPTER

John Moscatelli, AKA senior vice president and chief operating officer, received the Anthony J. Fulginiti Award for Outstanding Contributions to Education at the annual awards dinner of the Philadelphia chapter of the Public Relations Society of America (PRSA). The award, one of the chapter's top individual accolades, honors a public relations professional who is committed to the future of the public relations profession through mentoring or teaching

and who shapes the careers of future public relations professionals.

John teaches a graduate level course on crisis communications and is an adjunct faculty member at Rowan University. He has lectured extensively at area universities including Temple, LaSalle, Villanova, Drexel and Penn. He has served as a professional advisor to master's degree candidates and mentored scores of students.



At the 2004 Pepperpot Awards: Left: AKA associate Chris Lukach and Larry Litwin, faculty advisor for the Rowan University chapter of the Public Relations Student Society of America, whose campaign to garner support for a new community library, "The 'New' Cherry Hill Library," won first-place honors in the category "Pro Bono Program." Lukach was chapter president when the campaign was conducted, while Anne Klein continued her long-time service as professional advisor. Center: Anne Klein presents the Anthony J. Fulginiti Award to John Moscatelli. Right: Richard Wells, VP of Public Affairs, Main Line Health, whose joint entry with AKA, "Building Community Support for a Hospital Zone," won a second-place award in the Editorial/Op-Ed category. The entry was one of a series of articles that explained the need for zoning changes necessary to allow Lankenau and Bryn Mawr hospitals to modernize and expand.

NANCY PERRITT IS NEW ADMINISTRATIVE ASSISTANT

Nancy Perritt has joined AKA as an administrative assistant. In addition to working closely with Anne and Jerry Klein, Nancy applies her many years of administrative experience to the general operation of the firm and to supporting the account service team. Before joining AKA, she coordinated promotional programs for a marketing firm and supported its financial department. Nancy developed her organizational skills



Nancy Perritt

while holding positions in a variety of industries such as automotive, education, retail and transportation. In addition, she spent many years on the executive boards of her town's parent teacher associations with responsibilities that included serving as editor of the PTA newsletter and organizing fund raising committees.

BIO 2005

Anne Klein and AKA senior vice president John Moscatelli are working with other area communications professionals to provide local support for the BIO (Biotechnology Industry Organization) International Convention coming to Philadelphia in June 2005. The annual convention provides opportunities for

collaboration among international biotechnology companies and open discussions with the FDA, NIH and other governmental entities. Anne and John are providing their counsel to the Issues Management subcommittee that will be responsible for development of crisis contingency plans and responses.

SPORTS WRITERS

AKA associate Michael Gross recently helped organize and manage the annual Philadelphia Sports Writers Association (PSWA) Awards Banquet. The banquet honors athletes and sports media personalities with a number of awards including "Native Son," "Team of the Year" and "Humanitarian." This year's guest list included Philadelphia Phillies star player Jim Thome and manager Charlie Manuel, as well as the Flyers' John LeClair and Keith Primeau. Mike is a member of the PSWA and has been on the planning committee for several years. He has already begun work for the 2006 banquet.

WHAT SHOULD MARTHA DO?

In the days preceding Martha Stewart's release from prison, media outlets all over the country interviewed all sorts of pundits, asking "What should Martha do now?" On the morning of Martha's release, a radio talk show host in Palm Springs, Calif., interviewed Anne Klein for her take on the question. "I would

caution her not to dwell on her prison experience. She should accept what happened and let people know she is looking forward to a new phase in her life," Anne advised.

PPRA HALL OF FAME

AKA associate Chris Lukach is serving on the Philadelphia Public Relations Association's Hall of Fame committee. Working side-by-side with regional PR greats and past Hall-of-Fame honorees, Chris is helping coordinate the program for the organization's next Hall of Fame induction in May. Our own Anne Klein was the group's 2004 Hall of Fame honoree.

PLANNING FOR DISASTER

Management Strategies for Public Relations Firms, a newsletter authored by former Philadelphia PR executive Al Croft, APR, included in its February 2005 issue a list prepared by Anne Klein of potential disasters that a public relations firm could face. The purpose of the list, reprinted in an article entitled "Channel Ten's on the Phone: They Wanna Talk to You!", is to encourage PR agencies to plan for potential crises that could impact their businesses. The list is also included in Croft's book, "Managing a Public Relations Firm for Growth and Profit," which will soon be reissued in its second edition.

Client News

AKA secured extensive regional media coverage of a Jan. 19 news conference by **AtlantiCare** to announce that it is investing \$98 million in capital improvements to expand and renovate Atlantic City Medical Center in Atlantic City. George Lynn, president and CEO of AtlantiCare and chairman of the board of trustees of the American Hospital Association, and David Tilton, president and CEO of the hospital, announced plans for a seven-story, 198,000-square-foot medical tower. They also announced a new name for the hospital – AtlantiCare Regional

Medical Center – to better reflect the regional services it provides to customers.

Noramco, Inc. asked AKA to write an Incident Communications Manual for its Wilmington facility. This manual will better prepare Noramco management to handle media inquires in a timely and appropriate manner, in the event of an incident. Noramco, a subsidiary of Johnson & Johnson, manufactures pharmaceutical ingredients used for pain relief medication.

AKA was pleased to assist its Pinnacle Worldwide partner in Cleveland, **Edward Howard & Company**, recently by preparing a community profile of Philadelphia for one of its clients. AKA's extensive knowledge of the Philadelphia market was indispensable in assembling a profile that included local and state demographics, media contacts, elected and appointed governmental officials, chambers of commerce and other prominent associations, the statewide business climate, and more.

EVEN AFTER 23 YEARS, AKA TACKLES NEW CHALLENGES FOR NAIC

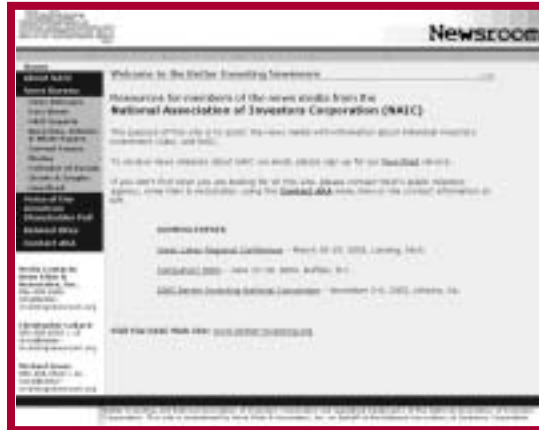
You might think that after working together for 23 years, an agency and client could get into a rut. Well, nothing could be further from the truth when it comes to AKA and its second-ever client, the National Association of Investors Corporation (NAIC). Dick Holthaus, who took over the reins of the organization as president and CEO in 2002, brought in Debbie Keipper as the new vice president of marketing in 2004. Together they have been leading NAIC's marketing and public relations efforts in some exciting new directions. In the process, they have been giving AKA some challenging new assignments.

As many readers of this newsletter already know, NAIC is a national, nonprofit organization of investment clubs and individual investors, based in Madison Heights, Mich. Founded in 1951, NAIC is dedicated to providing a sound program of investment education and information to help its members become successful long-term, lifetime investors. NAIC is considered the pioneer of the modern investment club movement in the United States as well as the voice of the individual investor.

Since the beginning, AKA's work with NAIC has centered on a long-term media relations program. We have developed extensive media contacts for NAIC over the years, and most recently we have secured coverage of NAIC in such top-tier media as *The Associated Press*, *USA Today*, *The New York Times*, CBS Marketwatch, *BusinessWeek* and CNBC.

Last fall, NAIC tasked AKA with a major new media relations project: publicizing the Voice of the American Shareholder poll. Commissioned by NAIC and conducted by Harris Interactive, this poll samples more than 1,000 individual investors on timely issues, investor behavior, and thoughts about the market. AKA's promotional support earned the Voice of the American Shareholder poll nearly \$4 million in publicity value and more than 25 million media impressions in less than three months, according to PRtrak®.

To give support to the media relations efforts, AKA developed, in collaboration with SolutionMedia of Philadelphia, two new Web sites for NAIC. One is the Better Investing Newsroom.



www.better-investingnewsroom.org

This site helps NAIC reach out to news media across the nation. It contains news releases, fact sheets, information on NAIC experts, photographs and other resources of interest to the news media. The site also houses the Better Investing Newsfeed, which distributes newly created content by email directly to the media and to NAIC members and others who sign up for the free service. The news releases distributed over the Newsfeed have garnered significant media coverage.



NAIC representatives ringing the Opening Bell™ at the New York Stock Exchange on Dec. 31, 2004, as shown on CNBC.

AKA also introduced a special Web site that gives local NAIC chapter public relations directors tools they can use to conduct more aggressive publicity programs in their own communities. The password-protected NAIC Chapter Public Relations site is designed to provide education, training and motivation to the organization's volunteer PR representatives in 101 chapters nationwide. AKA's Jerry Klein and John Moscatelli, assisted by Chris Lukach, introduced the new sites in a presentation to chapter representatives at the annual Better Investing National Convention last November in Phoenix, Ariz.

Other public relations initiatives included arranging to have NAIC representatives ring the Opening Bell™ at the New York Stock Exchange on Jan. 2 and Dec. 31 – “ringing in” and “ringing out” 2004. AKA had arranged similar visits in 2002 and 2003, and NYSE President Robert Britz noted that NAIC appearances are becoming “an annual tradition.”

With such recent successes added to our scrapbook, and many more pages left to be filled, AKA and NAIC continue our successful partnership into the future. And NAIC executives clearly appreciate the work AKA has been doing on the organization's behalf.

“I'm calling to thank you for everything you've been doing,” began a recent voice-mail message from Dick Holthaus to Anne Klein. “I see a real change around here, and I think you guys deserve a lot of credit for what you've been doing. I love these initiatives.”

Keipper also had some very kind words: “I've worked with several PR agencies in previous lives and the Anne Klein team's diligence and talent outshines them all. In particular, we rely on John Moscatelli, as the agency team's leader, for his insight, candor, strategic counsel and tactical support.”

After nearly two-and-a-half decades together, we're still thrilled to hear such kudos, and we keep working hard to earn them.

The PR Profession In Crisis

(Continued from front page.)

Public relations counselors need to remind their organizations about their core values, to dust off those old “values statements” that usually include wording to the effect that “we will operate our business with ethics and integrity.”

It’s not wrong to have a paid spokesperson or a sponsor. But it is wrong not to disclose that the spokesperson is being paid to voice an opinion. One of the firms involved in a recent incident of this nature acknowledges that it had

a policy against such practices that employees were required to sign upon being hired. Unfortunately, no one seems to have remembered it.

All of us in public relations must stand up for our principles. We have to do the right thing. How can we in the public relations profession counsel our organizations or clients to act with ethics and integrity if we fail to do it ourselves?

A.S.K.

NICE WORDS

“I’ve worked with several PR agencies in previous lives and the Anne Klein team’s diligence and talent outshines them all.”

Debbie Keipper
Vice President, Marketing
National Ass’n of Investors Corp.

Anne Klein & Associates is a public relations consulting firm based in the Philadelphia region, with clients throughout the United States. It is a member of



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