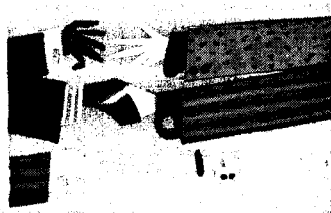


Public Relations



Survival Lessons

It is the rare public relations agency that survives the death of its founder. One reason for this, of course, is that the founder of an agency is usually the business-getter who develops so close a relationship with a client that he has little confidence in anyone else in the firm. Another reason is vanity. The head of an agency really begins to believe, and subconsciously transmits his belief to the client, that there is only one man in the agency who has the brains, the judgment, and the skill to service the account.

Today, there are only four good-sized firms in the country still in business five years after the death of the founder. They are T. J. Ross & Associates, which dates back to 1905; Carl Byoir & Associates, founded in 1930; Harshe-Rotman & Druck, established in 1931; and Newmyer Associates, set up in 1943.

The problem of agency survival worries some of the bigger and better-established firms today as their heads near retirement, because the man who has been responsible for the growth of each agency just cannot free himself to face the day when he will no longer manage the firm and direct all its policies. Thus, the younger men in the agencies become restless as they see little future for them in what is essentially an unstable business.

It is then worth a look at one of the largest agencies whose founder is still active and who has carefully planned the institutionalizing of his firm so that when the time comes for him to retire he can be assured that what he spent his life building will not fall apart. In this way the founder is establishing a memorial to himself and, at the same time, is offering a number of lessons for those who simply do not know how to divest themselves of responsibility piece by piece, while making certain that able men develop the capacity for running the agency.

In 1927 John W. Hill, founder of Hill and Knowlton, Inc., opened his first office in Cleveland, Ohio. A former editor of a trade magazine, Hill wrote a weekly syndicated business column for Newspaper Enterprise Association, and he saw the corporations' need for help in their press relations. His first

client was the Union Trust Company of Cleveland, then the largest bank between New York and Chicago. The chairman of the bank, John Sherwin, Sr., persuaded other firms to retain Hill. Such was the beginning of what is today one of the biggest agencies.

Forty-two years later, Hill and Knowlton is based in New York, with regional offices in Washington and Los Angeles, and affiliates in Chicago and San Francisco. Overseas the firm has eight wholly-owned subsidiaries: seven in Europe and one in Tokyo. Its European headquarters are in Geneva with offices in London, Paris, Brussels, Frankfurt, Milan, Rome, and Madrid. The agency's billings are roughly \$7-million. Of nearly 300 employees, 124 make up the account staff, including twenty-one overseas. Six employees have been with the firm for more than twenty years, fifteen for more than fifteen years, fourteen for more than ten years, and an additional fifteen for more than five years.

As is always the case with public relations agencies, clients come and go for a variety of reasons. But Hill and Knowlton has had as clients the American Iron and Steel Institute for thirty-six years, Avco Corporation for thirty years, Owens-Illinois and Cities Service for more than twenty years. Procter & Gamble, Gillette, Licensed Beverages Industries, and the American Institute of Steel Construction have been clients for more than fifteen years. And for more than ten years El Paso Natural Gas, Newsprint Information Committee, Marathon Oil, and the Savings Banks Association of New York State have retained the agency.

It was in the early Forties that John Hill reached three conclusions which changed the direction of his business: management would eventually recognize that public relations was as essential to successful operation of a corporation as any other business element; that it would demand a wider variety of services, far broader than press relations; that to do the job effectively would require a far stronger and larger organization built in depth. He further concluded that to do this would necessitate the kind of structure that would make a shop dominated by one man obsolete.

So Mr. Hill set out to build a strong group of highly competent executives who could work in harness, and to develop the firm's internal structure so that a group could run Hill and Knowlton instead of an individual. He was certain that in this way he could obtain continuity and effective long-term growth, as well as an organization that could run without him.

In 1946, having surrounded himself with what he considered the right men, Hill dissolved the partnership and incorporated his firm. For nineteen years he had been virtually the sole business-getter; he consequently shifted some of the burden of new business to others. In 1953, he decided to develop an international business which once again meant adding other strong men to his staff.

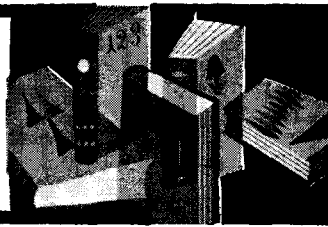
Then in 1966, Hill made additional major changes. Bert C. Gross was made chairman and chief executive of Hill and Knowlton; Richard W. Darrow was made president; three executive vice presidents were appointed—James J. Cassidy, William A. Durbin, and John H. O'Connell. Hill himself took the post of chairman of the policy committee. He also reduced his majority holdings to a minority share by selling stock to the firm's treasury. To further stabilize the firm and assure continuity he reorganized the profit-sharing plan which had been started in 1953. Under this plan \$6-million has been set aside for employees out of profits. The amount for each employee equals 15 per cent of his annual salary. Also set up was the John Hill Foundation under which children of the agency's employees would be provided with college scholarships.

John Hill is now seventy-eight years old. He is still active in all aspects of the business he built. He knows it can, and does, run without him; on occasion he goes abroad for extended periods with the assurance that nothing will fall apart because of his absence. If any firm can be certain of its survival without its founder, it is Hill and Knowlton.

The lessons here for other public relations heads who are afraid to let go are many. As the public relations business matures, and as more and more individuals who have been successful realize that all competence does not reside in them alone, more firms will survive. In the future, clients will be looking for stability based on a wide variety of talents rather than on one man's capacity. And in the evolution of the agency Mr. Hill's acts in developing an institution rather than a one-man band will mark him as a pioneer.

—L. L. L. GOLDEN.

Books in Communications



No More Chance Encounters

At the age of ninety, Winston Churchill, in a chance encounter with a camera crew outside his home in Hyde Park Gate, gave the only interview in his lifetime that was specifically for television. All through his active years, until he resigned the Conservative leadership in 1955, he never talked just for the cameras. A decade later, another Prime Minister, Harold Wilson, granted eleven successive interviews at the end of a Commonwealth Prime Ministers' Conference to satisfy competing broadcast interests. Wilson became a TV sophisticate who knew enough to wait before speaking until the cameras had warmed up. On command, he would stroll casually across the lawn behind No. 10 Downing Street, make a turn, and come to a halt perfectly on location X. He knew his interviewers by name. He listened for the key phrases in their questions and had answers crisply ready.

In his White House bedroom, President Johnson monitored three television sets, each tuned to a different network, and studied not so much the content of news programs as the form of commentators. He regarded their rise and fall, checked to see if absence from the screen meant vacation or network disfavor, and mentally rearranged the order in which he would give preference to working reporters.

In the last decade, politicians have become acutely sensitive to the needs of the medium and to the ways it can influence the electorate. It is the particular virtue of John Whale's *The Half-Shut Eye* (St. Martin's Press, \$6.95) that it compares the surge of television's influence on politics in both Great Britain and the United States. Whale, who is British, served the Independent Television Network in London and in Washington, and covered the 1968 elections. He is now on the political staff of the *Sunday Times* in a position of safe objectivity. While fair and dispassionate, he is not overly impressed with the power of television in either country to convey to the voter more than the crude outlines of political problems and policies. In Britain, the camera is a recent intruder at the party conference (live coverage dates from 1962). In the United

States, television has encouraged, and distorted, the participatory democracy of civil protest and demonstration. In an interview program in Britain, the TV interrogator handles statesmen roughly. The American tradition of panels of reporters, Whale points out, makes life easier on the politician (more program time spent questioning, less on answering). The British reporter likes to put across his own viewpoint while questioning politicians on theirs, and rarely fails to do so.

Congress, a number of whose members hold ownership interest in broadcasting companies, is regarded by Whale as overly sensitive to broadcasting pressures. In England, where this is less true, the government in power tends to be favored. The pressure is on TV to seem fair; reporters try to balance one-sided arguments in favor of a government under attack. In both countries, executive "persuasion" can be strong. Johnson often attacked directly, Whale says, by rebuking commentators and reporters to their faces, or by picking up the phone to their superiors. The BBC once went to considerable expense to outfit a Liverpool-to-London train, on which Prime Minister Wilson was traveling, with facilities for the first live television transmission aboard a moving train. But in the last election Mr. Wilson had not been pleased with BBC coverage, and when the technicians came back to his car to tell him all was ready, he demurred, and gave a taped interview instead to the rival ITV. BBC got the point.

Obviously limited already by its great need to tell the story through pictures (television loves journeys), television can't venture where it is not invited. Television isn't welcome where decisions are made—not in Parliament, not in Congress, not in the Cabinet rooms of Downing Street or Pennsylvania Avenue. Newspapers find it much easier to reconstruct events after they happen. When television attempts to reconstruct an event, the result has the hollowness of a still picture with the subject missing. Senate committees hold notable televised hearings for witnesses, but the cameras are banished when a committee begins to deliberate.

British TV lacks the power to editorialize allowed American broadcast-

ers but little exercised, and we, of course, permit political advertising while the British do not. The meanness and crass appeal of some spot political advertising devised by Madison Avenue sloganeers Whale appears to regard as a demeaning part of American politics.

For all its limitations, television has become the chief source of information for the electorate. They are not so much wrongly informed, Whale concludes, as inadequately informed.

The Fit of the News: Any newspaper that deliberately promotes its own infallibility with such slogans as "All the News That's Fit to Print" and "You don't have to read it all, but it's nice to know it's all there" invites skepticism. From *Times* to *Times*, the claims deserve to be rigorously tested. Especially now that the paper has the town to itself, and there is no longer a New York *Herald Tribune* to offer another path to righteousness. I was therefore delighted to pick up a book with the title *All the News That Fits* by Herman H. Dinsmore (Arlington House, \$7) that promised "a critical analysis of the news and editorial content" of *The New York Times*. Here, surely, was a fitting companion to Gay Talese's *The Kingdom and the Power*. Talese examined *The Times* in terms of power, personality, and process. Now Dinsmore has come along to handle cause, content, and coloration. Like Talese, Dinsmore is an *ex-Times* man. Together, the two books should give the inside story of the iniquitous influence of *The Times* on our lives.

Dinsmore's book in these terms is a sad disappointment. Rather than fulfilling its promise, it wanders about discussing the wrongheadedness of our attitudes toward Communism, the balance of power in the postwar world, the East European peoples, Castro, Lee Harvey Oswald, Korea, and Vietnam. Great sections of the book are italicized reprints, whole pages are enclosed within quotations, but *The Times* is not well represented in this material at all. The book is really about the content and coloration of Mr. Dinsmore's political thinking with illustrations from periodicals, and with side references to *The Times* as being among those who "appease" the Soviets rather than "stand up to them," and as taking "a negative and carping approach" to our Vietnam policy that was "entirely unhelpful" to the United States. There is much woolly criticism, such as "*The Times* policy has precluded the presentation of news that might have seemed calculated to bring about a victorious conclusion of the conflict."

But you don't have to read Dinsmore at all. —STUART W. LITTLE.