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Media News & Intelligence for PR Pros

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PR SPOTLIGHT

Big Ideas for Small Agencies: IPREX Founder Makovsky Shares Growth Strategies and Advice for Keeping Big-Time PR Talent Committed in a Big Way

Ken Makovsky founded his eponymous PR agency nearly 25 years ago. The firm today has agency partners in over 20 countries and in 35 cities, through IPREX. Makovsky's brainchild, IPREX has grown from its inception in 1983 to the third largest public relations agency partnership worldwide. It allows all partner agencies to draw on the resources, knowledge and talent of over 850 public relations professionals responsible for client budgets totaling over \$100 million annually. Servicing over 800 international clients in the Americas, Europe, South Africa and Asia, IPREX provides clients with access to strategies that work globally or in specialized geographic and cultural regions.

But there's more to Makovsky than the agency he continues to lead or the global network he helped build. This PR veteran also exhibits considerable vision as a manager and motivator of PR's top talent. Refreshingly, he places his role as guardian of client and employee relations on equal footing. For proof, look no further than the fact that Makovsky + Company was recently ranked by *The Holmes Report* as "Best Agency to Work For." Here, the busy exec discusses how smaller concerns can go toe-to-toe with the big guys, issues caveats to those thinking of breaking into international markets—and reveals the practices and philosophies that can help others in PR attract (and keep) the best in the business:

Why was IPREX founded and what lessons might that hold for smaller PR firms seeking growth?

My agency at the time was made up of about three to five people. Three agencies were involved in the founding of IPREX. One was on the West Coast, one in the Midwest and one on the East Coast. The reason we did it was because it was a solution to providing services in multiple cities that we couldn't provide otherwise. So it was a way of competing with larger agencies.

We were so successful in terms of our expansion to 25 U.S. cities that we decided to grow it internationally. At the time, the opportunity was that we saw globalization in its infancy. We saw opportunities for smaller to midsized American firms to provide services in Europe and Asia in a way that would let them compete with the larger international firms who already had offices there. Another factor behind this was that the partnerships provided a sales defense. When you were in a presentation with a client and they said, "We'll have needs in Paris in two years"—well, we could say that we could service those needs. That way, business wasn't lost to the big guys.

We ultimately made IPREX into an international corporation in which every member held shares.

It's a passive corporation in that we're all partner firms jointly collaborating on



KEN MAKOVSKY

various clients. It's grown bigger every year. I think the lesson is that there are creative ways to compete with larger firms. This is just one of them. Also, the international market poses a great opportunity for PR people who are able to find ways to partner with the right experts overseas.

The way I look at IPREX is having a distributor for your firm in every major country. When our member in Tokyo makes a presentation and there's a need for U.S. representation—our name comes up. This is promoting our firm all around the world. It's a built-in referral service for business. Over the years, millions of dollars



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Makovsky + Company president

of revenue have come to us from around the world through this organization. That sort of levels the playing field.

What’s the biggest mistake you see PR people making when going global?

Not having the structure to do it—that’s the number one problem. You have to set up something like we did or at least have an alliance with a firm with on-the-ground experience in the places you want to go. Simply put: Don’t pursue international business if you don’t have a locally-focused firm with which to work.

To illustrate, if you want to do work in Stockholm, but aren’t acquainted with Swedish cultural norms about how the media works—you won’t be successful. For example, if there was a nuance when we were working in Sweden it would have been the pace our Swedish counterparts took with the media. It was possibly more tempered than we would take here in the U.S. I think there’s a more easy-going attitude or moderate pace of story development there.

Beyond that, what’s your specific advice to others pursuing international markets?

First, be a trend-watcher. What I mean by that is that it’s important to read a lot about the market you want to get into. Know what the major corporate issues are there and what the political issues are in that particular environment. Try to pick up on the cultural trends going on.

Also, get out from behind the desk. Join organizations there. For example, I happened to be very interested in the Swedish market and we developed a lot of business there. I am now a member of the national board of the Swedish American Chamber of Commerce, USA. I can’t stress this enough. Get active in organizations that are relevant to the country or countries you want to do business in.

Next is to network with people who are influential there. For example, somebody called me just today through networking and said there was a group of companies in the tech manufacturing space who are trying to break into the U.S.

market. They were asking if I would meet with them. It was 15 companies. They formed an organization and came here to get advice for strengthening their sales in America. The group was led by a Swedish person who knew somebody I knew.

Finally, I would recommend understanding the strategies of the companies who might want to retain PR firms overseas. Customs and the way they view PR can be very different. For example, in Latin America and Peru, we found it was very important—and totally legitimate—to give journalists money. It’s not considered a bribe. It’s a gift. We had to fall into line with that in order to work in that environment. It’s not on the same scale at all, but when we represented a multinational corporation in Japan for several years, I learned that you must give the client a gift when you meet for the first time. Similarly, when you do a proposal here in the U.S., you call and ask for a reaction and result within two weeks. That would be inappropriate in Japan.

Why did you launch your blog (<http://blog.makovsky.com>) and why is blogging important to PR?

Blogging is an opportunity I relish. In part, it’s because I was a columnist at Washington University. I like writing. It’s fun to write. I’m having a complete ball doing this blog. I love it. It’s making me more rounded. It’s giving me greater stickiness to major issues and forcing me to focus more deeply on things that I would give less attention to otherwise. It’s an opportunity for me to communicate my thoughts about PR as a business and topics I have strong feelings about. It’s an outlet for me. The blog also gives clients and prospects a chance to know me better as a person.

Blogging is important because it’s giving the individual a direct-to-consumer conduit. It doesn’t matter if he’s doing it for himself or for a company putting out a point of view. Either way, this is the essence of citizen journalism. It’s establishing a new immediacy in the press. As for PR people—it’s turning the gatekeeper into somebody who delivers messages directly to the public. This is a very good thing, because it’s additive. It

doesn’t replace the authority position that the media still has. It just gives us another channel—one that’s more direct.

What do you see as being the biggest challenge facing PR these days?

I think it’s managing the social revolution that the Internet has wrought. My advice for PR people would be to study it. Don’t be afraid of it. Learn it. Launching a blog is the perfect example. I have learned a lot just through blogging. I also took a day-long Bulldog class last fall on blogging, podcasts and wikis. It was terrific. That got me started. So my suggestion is to get the lay of the land and to stay up on it. Blogging makes you a member. So do it. Get right into it. Otherwise, you’re just theorizing.

The Holmes Report named you the “Best Agency to Work For” in 2004. Why-and how can others follow suit?

This isn’t that unusual-but we do an annual survey of our employees. We get a lot of information about where changes need to occur. We take a lot of hints from that and a lot of direction in terms of programs here. It’s anonymous. You turn it into the receptionist in a sealed envelope. Employees really trust us with this.

We also have the “We Achieve” program. The strategy is to recognize people for great performance. As a little background, we have six values here as a company: collaboration, communication, motivation, innovation, initiation and education. So say someone has been a role model in the area of collaboration. We’ll write that on the back of a card and spell out what made the person a role model for that particular value. At the end of two months, we give awards to the people with the most cards. We’ll also take the opportunity to talk about which of the values these people represented and why.

We also have our own internal “Silver Anvil” awards, if you will. We call them the “MAK” awards. We submit up to ten campaigns and bring in ten outside judges to reward the winners. The point of all of these programs is to support our mission, which is: “Smart people working in harmony to help clients and the agency win.” That defines who we are—we’re

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about bringing together smart people working in harmony to create win-win situations. That's at the heart of our success.

PR is a high-stress business-what do you do to minimize turnover and maximize performance?

There's a lot of turnover in this industry in general. My tips for dealing with this are pretty extensive. I could talk a lot about it. But for starters, I would say: Have a thick skin and do not allow more than one hour for depression or basking in negativity. These are my rules and I follow them. Also, move forward quickly. You're wasting time if you don't. My theory is if you want to spend the afternoon

depressed—you're not going to correct the situation. So give yourself an hour or so to resolve the issue and then resign yourself to moving forward. Overall, I would say that you need to have a lot of disciplined emotions. Instead of worrying about how some guy hurt your feeling, move on to the next client.

Those are great tips for coping with high-stress individually-but what can a CEO do to address high turnover across the board?

My advice to other CEOs about minimizing high stress and maximizing success is this: Stay in close contact with all of your employees. Consider building relationships with employees as

important as building them with client. I think that bosses and PR execs are often more fascinated with solving client problems or growing the business than with helping the people who could help them solve those client problems or grow the business. If you help your people first, you thereby build the agency because you have the right people who believe in you and what you're doing. That's what I believe.

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