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BUSINESS

PR Firm That Actually Knows How to Relate

By Steven Pearlstein
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Hardly a day goes by when I don't get a phone call from some 20-something in public relations asking if I got the e-mail she just sent or inviting me to a news conference.

In seconds, it's obvious these folks don't have a clue what I write about -- or even know much about their subject. I can't remember the last time such a pitch worked. But every time, I wonder why any business would spend good money to accomplish so little.

Now I know. Those phone calls, and lots of similarly useless work, have become the bread and butter of a business that is less and less about relationships and real knowledge and more and more about meeting monthly targets for billable hours. After all, if you can pay a "senior associate" with four years' experience \$25 an hour to make those calls, and bill them at \$200 an hour, you can support a lot of corporate overhead in London or New York and still declare a profit.

This model is the consequence of two decades of mindless consolidation in advertising and public relations, premised on widely held fallacies about economies of scale and the need to be part of a global network. All it has really produced are a few bureaucratic behemoths that overcharge and under-perform, driving away their best talent. They are about to have their lunch eaten by nimbler, more creative firms that deliver real value for clients.

A few weeks ago, I wrote about a few such shops springing up in the shadow of New York's big advertising agencies. Here in Washington, the point of entry to this new communications world is not advertising, but public relations. There's no better example than a homegrown independent named Qorvis Communications.

The Qorvis story starts with Doug Poretz, a New Yorker who cut his teeth in public relations helping to integrate the

Alexandria public schools. The other founding partner, Michael Petruzzello, started his career as a driver at the U.S. Chamber of Commerce, later learning the PR trade.

They met when Petruzzello approached Poretz to buy his small agency in Tysons Corner. Poretz decided against joining a global behemoth, and Petruzzello soon lost his job in a corporate reorganization. So the short and irrepressible Poretz and the tall and laconic Petruzzello decided to start a new kind of agency, naming it for the largest constellation in the universe.

Six years later, the firm has 90 employees in two offices, billing some \$23 million. Besides traditional public and investor relations, it does market and consumer research, provides media training, and does the kind of grass-roots lobbying often required by industry groups and legislative coalitions. Its client list includes United Technologies, the Jim Beam liquor family and the Consumer Electronics Association.

Qorvis has been smart enough not to pay cash for acquisitions, but it has not been shy about trading equity for top talent. Poretz struck a deal recently with Internet Gravity, a Web and Internet marketing firm headed by a 29-year-old whiz named Jason Siegel. Just last week, Bill Replogle and the crew of Sparky's Garage, a hot little advertising agency out in Leesburg, were moving into their new digs at Qorvis's Virginia office.

In the opinion of those who work there, Qorvis succeeds for two big reasons.

Rather than keeping time sheets and billing by the hour, Qorvis negotiates monthly retainers with clients, along with a scope of work and performance benchmarks. This puts the emphasis on being successful rather than busy, Petruzzello says. It becomes difficult for anyone to calculate how profitable each employee, each office, each department and each client has been each month -- the kind of information that discourages cooperation and collegiality.

Equally important, Qorvis doesn't organize itself by specialty or departments. The aim is to get everyone to think about integrated approaches to client problems. Big firms claim to do that, too, but in most cases they can't cut through bureaucracy well enough to deliver.

Perhaps the biggest difference -- and the one I notice -- is that Qorvis is a company with more chiefs and fewer Indians. That means more work is done by people with real knowledge, experience and contacts. And it means the highest-paid people aren't spending all their time in managers' meetings. Some clients I spoke with notice the difference.

Bill Hoover, the new chief executive at American Systems Corp., said his company's recent rebranding effort required not just the usual communication skills but lots of time holding hands and building consensus within his organization, where every employee is, literally, an owner. He's a big Qorvis fan. And United Technologies was so impressed with Qorvis's work when its Pratt & Whitney engine division launched a new business last year that it named Qorvis its agency of record.

No doubt there are some who look askance at an American firm that shills for Saudi Arabia, a country that hates Israel, profits from \$3 gasoline and hasn't always been helpful in the war against terrorists. And there was that unfortunate assignment from insurance giant AIG, in which a Qorvis subcontractor was discovered looking for "experts" to question the motives and methods of AIG's nemesis, New York Attorney General Eliot L. Spitzer.

But I can tell you one thing: When someone calls from Qorvis, they know what they're talking about.