



News and Intelligence for Public Relations Professionals

## KEKST AND COMPANY

### Corporate and financial agency of the decade

#### NEW YORK

IN times of crisis, smart companies recognize the importance of sage advice. Historically, of course, many of Kekst and Company's clients have come to the firm for its wise, battle-tested counsel as the result of a specific, often existential crisis: a takeover battle, a litigation battle, a radical restructuring. But in 2009 the crisis was both broader (few companies could avoid its consequences entirely) and deeper, involving a profound loss of public confidence in big business and its leaders, the financial services industry, and even the economic system itself. It was a year in which the firm's 40 years of accumulated experience and wisdom was put to the test as never before, and Kekst and Company rose to the challenge.

As shockwaves rattled first the financial sector and then the entire business landscape, Kekst was called on to work with many of the companies most immediately impacted by the crisis. It was involved in the de facto nationalization by the U.S. Government of automakers **General Motors** and **Chrysler** and both companies' historic Chapter 11 filings, providing communications for both, as well as for the bankruptcies of tier-one parts suppliers **Visteon** and **Lear** (dealing with the reorganization process in the U.S. and Canada, and drawing on the firm's expertise in communicating with key constituents in multiple languages and cultures around the world). Overall the firm worked on 20 bankruptcies and six of the 15 largest; other major restructuring assignments included **Eddie Bauer**, **Masonite**, **Idearc**, **Capmark**, **Spectrum Brands** and **Smurfit-Stone** (a major packaging company). On the broader crisis front, Kekst provided strategic communications counsel to **Smithfield Foods** on the global H1N1 influenza crisis; served as U.S. advisor to the **Swiss Bankers Association** on to the tax issues facing Switzerland's banking industry; counseled a number of private equity clients through

regulatory settlements that involved the New York Attorney General's and the SEC's "pay-to-play" investigations; and provided ongoing strategic communications advice to **AIG**.

And while global M&A activity dropped off sharply in 2009, Kekst once again ranked number one in North America in terms of volume of deals worked, according to mergermarket, advising on 70 transactions valued at \$137 billion. Highlights included **Genentech's** sale to **Roche Holdings** for \$47.1 billion; **Xerox's** \$7.9 billion acquisition of **Affiliated Computer Services**; **Black & Decker's** \$4.5 billion merger with **The Stanley Works**; **Dell's** \$3.9 billion acquisition of **Perot Systems**; and **EMC's** \$2.4 billion acquisition of **Data Domain**. Other highlights included dealing with activist investors; ongoing communications support for more than two dozen private equity clients including **KKR**, **Warburg Pincus**, **General Atlantic**, **Riverstone Holdings**, **Oak Hill Capital**, **Corsair Capital**, **MSD Capital**; strategic communications and investor relations assignments for long-term clients such as **LVMH Mötet Hennessy Louis Vuitton**, **JC Penney**, **Accenture**, **Colgate**, **Bayer**, **The Travelers**, **Coca-Cola Company**, **Deutsche Telekom**, **Limited Brands** and more.

In the midst of so many high-profile challenges, the firm also found time to address its own future. Following the 2008 sale of the business to longtime client **Publicis Groupe**—a deal that helps Kekst provide service to clients in key global markets as well as its New York headquarters market—last year saw the creation of **MS&L Group**, a move that aligns Kekst more closely with its various sister agencies, including **Publicis Consultants** in France, **JKL** in the Nordic region, and **Capitol MS&L** in London and the Middle East, all of which have significant corporate and financial capabilities.

The firm also announced, in the summer of 2010, a new management structure designed to position it for continued success in the decade ahead. **Larry Rand** has been named president and chief executive officer, with founder **Gershon Kekst** announcing plans

to "step away from the daily management of the firm," although he will remain active in a newly-created role as executive chairman, continuing to work closely with clients and mentoring employees. The depth of the firm's management is evident from the concurrent creation of two committees that will provide support to Rand in his new role: an executive committee consisting of **Jim Fingerroth**, **Jeffrey Taufield** and **Tom Davies**, responsible for setting policies and procedures, including strategic decisions on growth and expansion; and an operations committee including **Eric Berman**, **Todd Fogarty**, **Michael Freitag**, **Ruth Pachman**, and **Lissa Perlman**, responsible for the daily operations of the firm, including human resources, resource allocation, quality control and more.

Kekst says that under Rand's management, the firm will continue to focus three important and fundamental objectives: ensuring the highest quality of work and professional service on behalf of clients; building on the firm's brand and competitive positioning; and laying the groundwork for growth and setting the stage for future firm leadership and management and career opportunities for professionals.

One thing that won't change is the firm's remarkable culture, which manifests in the Kekst's approach to client service—it recognizes that each client and each assignment is unique, but at the same time is able to draw on an unrivaled body of experience, knowledge and judgment to provide the right levels of reassurance, guidance and counsel in even the most stressful crisis—and in its impressive pipeline of talent. More than three-quarters of the firm's 30 partners have been with Kekst for more than a decade and one-third have spent 20 years with the firm. They come from a wide range of backgrounds—the financial community, law firms, the White House, and top-tier media such as The New York Times and CBS—and most would never have considered a position with a traditional public relations firm.