

## Meet Michael Sitrick: The 'fixer' you call when your reputation is on the line

John Greenwood | 19/10/13

Michael Sitrick is OK with the title of spinmeister. That is what he does, after all — though he sees it a bit differently than most people.

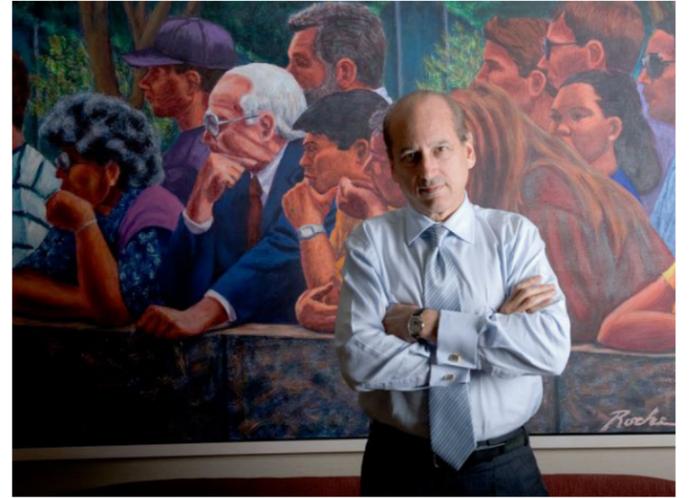
"You can give me a set of facts and I can write you four stories from the most negative to the most positive without changing a single fact," says Mr. Sitrick, whose gravelly voice and jocular manner belie a reputation for bulldog tenacity.

"What I do is I use the facts to portray my client in a way that accurately reflects the situation but of course is the most favourable to my clients." Spin, he says, is just interpreting the facts in a certain way.

Best known as a crisis management specialist, he's worked for a full spectrum of celebrities, corporate magnates and companies, from rocker David Lee Roth to Michael Vick, the NFL star who was caught up in an illegal dog-fighting scandal in 2007 that for a brief period made him bad guy No. 1 on U.S. prime time TV. He represented the late Hewlett Packard chairwoman Patricia Dunn in the wake of damaging allegations that she had okayed a plan to spy on board members. In 2006 a California court dropped all charges against her in a case that grew out of the controversy.

(Ms. Dunn eventually retired from her post, saying the publicity had become too much of a distraction to company operations.)

More recently Mr. Sitrick, who is 66, has become a familiar figure in the mess around troubled smartphone maker BlackBerry where he has been representing co-founder Michael Lazaridis since late 2011 (and the company as well until the end of last year). He declines to discuss details, saying only that the burly tech billionaire loves BlackBerry and is loath to see it broken up, as many observers predict is on the horizon.



More recently Mike Sitrick, who is 66, has become a familiar figure in the mess around troubled smartphone maker BlackBerry where he has been representing co-founder Michael Lazaridis since late 2011.



ImagesMr. Sitrick declines to discuss details of representing BlackBerry co-founder Mike Lazaridis, saying only that the burly tech billionaire loves BlackBerry and is loath to see it broken up.

The celebrity clients get him in the news but its the lower profile corporate stuff — legal disputes, IPOs, acquisitions and so on — that pay the bills. No assignment is too big, though there have been occasions when he's been forced to fire a client. "If I'm not comfortable representing them for one reason or another, I won't represent them," he says.

In the PR world, he is considered part of a handful of top experts in "crisis communications," the go-to guy when bad stuff happens and reputations are on the line.

***We're not you know, the kind of PR firm that will promote the largest hot fudge Sundae***

That's one way of looking at it. But he also appears to relish the colourful depictions found in the pages of publications such as Fortune magazine, where he was recently described as a fixer, like the the Winston Wolf character in the movie Pulp Fiction, the guy played by Harvey Keitel who comes to clean up the bodies after some people have been gotten rid of. "It's colourful stuff, but it's because were not afraid to [to get out there and] engage," declares Mr. Sitrick.

Case in point: The chief executive of leading U.S. pizza chain Papa John's found himself the subject of unwanted controversy after being quoted in various media as having warned that Obamacare, the name given to the U.S. public health care program spearheaded by President Barack Obama, would mean Americans would end up paying more for pizza.

Of course that was wrong, according to Mr. Sitrick. The comments that sparked the stories were made on a conference call in August 2012 following an earnings release. An analyst asked how the government healthcare plan might impact business and the chief executive was simply offering a financial estimate, not making a political comment. But given that the whole thing took place against a backdrop of last year's presidential election, it is perhaps not surprising that the comments took on a life of their own.

The volume got cranked up a few months later. The pizza chain owner gave a speech at a Florida college on Nov 7, the day after the election, and in the Q&A session that followed, a reporter from a local newspaper asked him if Papa John's franchise owners would reduce employee hours to less than full time as a way to avoid paying for their health insurance.

The pizza guy responded that doing so was only "common sense." Again, an honest, pragmatic answer, but in the noisy media kerfuffle that followed it suddenly became politicized: Papa John's was cutting hours in response to Obamacare. However that was misleading because the franchise owners are independent — they make their own staffing decisions.

The guy "was just being eviscerated in the media, both broadcast and print and they were saying very nasty things, statements about him and his product, and they were saying, this guy lives in a 42-room mansion and he can't give his employees healthcare," recalls Mr. Sitrick. By the time Mr. Sitrick arrived on the scene, the situation had morphed into a full-blown disaster, with the stories circulating on blogs and websites like Huffington Post, fueling the fire.

Papa John's regular PR firm had been advising him to keep a low profile and ignore requests from reporters. Mr. Sitrick went for the opposite approach: Respond to the press and tell the other side of the story, that the pizza guy's statement was merely a common-sense statement of fact. He obtained a transcript of the original Nov 7 speech, which backed up his position.

With the help of the pizza tycoon, he put together an op-ed for Huffington Post, presenting their version of the facts. Then he called up the news organizations that had run the original story, transcript in hand. "Most of them, almost all corrected their stories," he says. In the end, the fuss over Papa John's had become a turnaround story, a tale of how determination and smarts can transform PR disaster into victory, documented in a seven-page story in Fortune back in March, exonerating the Papa John's CEO. But the endings aren't always so clear cut.

In around 2006, Mr. Sitrick went to work for Fairfax Financial Holdings Ltd., the Toronto-based investment firm which had come under attack from a group of New York short sellers. Things had gotten personal. A Bloomberg story reported a mysterious letter sent to the church attended by Prem Watsa, the Fairfax CEO, claiming that the well-known executive was bilking shareholders. The return address was St. Patrick's Cathedral in New York and it was signed "P. Fate."

A lawsuit filed by Fairfax alleged that the missive was part of a smear campaign aimed at pushing down the shares and scaring away investors. Among the cast of characters who were part of the effort, according to Fairfax, was a man called Spyro Contogouris, an independent analyst who was contracted by the shorts to send out slanderous reports about the Toronto company. The shorts acknowledged they hired Mr. Contogouris but denied allegations of wrongdoing. Regarding their interest in Fairfax, they claimed that the Toronto company was hiding losses. Stories to that effect, often citing anonymous sources, kept popping up in the business press.

A Superior Court of New Jersey judge ruled that Mr. Contogouris is liable to Fairfax and prohibited him from posting anything about Fairfax on the Internet or trade its shares. The suit is ongoing, but it managed to shine a light on some unsavory practices in the hedge fund world. Mr. Sitrick's role was to work with Fairfax's lawyers to publicize the company's legal action and to explain the details to media. "It was a very complex case," he says. "It was a combination of combating and correcting the inaccuracies [in the media] and trying to get the true story out. And that's all we really wanted to do is get the truth out — I know it sounds corny but its true."

If Mr. Sitrick has enjoyed success at persuading the media to see things his way, that may be partly because he's made it his business to understand how people at news organizations think. Indeed, in university he dreamed of becoming a journalist and even held a job as a reporter, but that plan soon came off the rails when, after receiving a job offer in PR, he realized that when it comes to compensation, journalism is not at the top of the heap.

He took a PR job at the University of Maryland, his alma mater. From there he hopscothed through a string of positions that saw him working for Western Electric, the mayor of Chicago, and Wickes, a massive home improvement and furniture business. In 1989 he went out on his own, launching Sitrick and Co., quickly becoming known as the go-to guy for companies, executives, celebrities and anybody else with the money to pay the fees.

In 1998 he wrote a book about his business, Spin: How to Turn the Power of the Press to your Advantage, and it was well-received. The company has more than 50 staff, including many former journalists, indeed the company is known for hiring journalists from the New York Times, the Wall Street Journal, major television networks and other leading news organizations. "We're not you know, the kind of PR firm that will promote the largest hot fudge Sundae or something like that," says Mr. Sitrick. "That's not what we're known for."

"What I do is I use the facts, to portray my client in a way that accurately reflects the situation but of course is the most favourable to my clients," he acknowledges. But he insists he has never lied. "A, it's not the right thing to do, and B, you always get caught. All I have and all my clients have is our credibility. And once you're caught lying you lose that credibility."

In 2009 he sold his company to Resource Connection, a multinational professional services firm, a move that has given Sitrick and Co. a global reach. All his clients pay the same hourly rate for his services — reportedly around US\$900-an hour, though he declines to say what it is.



Papa John's regular PR firm had been advising him to keep a low profile and ignore requests from reporters. Mr. Sitrick went for the opposite approach: Respond to the press and tell the other side of the story.