



REGIONAL FOCUS Colorado: Mile-high optimism

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Denver and neighboring cities are steadily climbing back up

It was only a few years ago that Colorado was reeling from the tech bust, after the state had become a haven for technology and telecommunications firms, enticed by a high standard of living and a well-educated work force.

Compounding this downturn for the PR industry was the idea that, because a firm was in Colorado, it wouldn't be doing work as important as firms would be doing in larger cities. At the time of this economic malaise, many PR firms relied more on project work, rather than more lucrative retainer contracts.

But the times - and perceptions - have changed.

"The old sentiment was that if you weren't in the Bay Area or East Coast, you weren't a player in the PR world," says Laura Love, president and founder of Boulder-based GroundFloor Media. "Now the talent in this area is extremely well-rounded."

For most PR agencies and in-house communication staffs, the economy has rebounded, and happy times are here again, not only for the tech sector, but across the board in areas such as tourism, oil and gas, and aerospace. Also, the growth of the state's Hispanic population is prompting firms to tailor programs to that community.

Adding to the optimism is that on the horizon for Denver is "FasTracks," a major regional transportation plan that would build a light-rail system connecting Denver to its suburbs. Already there's a buzz in the PR industry for the contract to promote the program.

"The economy is out of a paralysis phase," says John Metzger, head of the Boulder-based, tech-focused Metzger Associates. "People are taking risks in things that are innovative."

Colorado's innovative spirit and resilience is echoed by DeeDee LeGrand-Hart, CEO of Denver's LeGrand Hart. She says that she has seen growth in the number of companies deciding to contract with PR firms for the first time, and companies already with a firm are investing in even more work.

"Denver has always been willing to create its own destiny and not allow the winds of change to take it off course," adds LeGrand-Hart.

Most firms report that business is either booming or well on its way there. Leanna Clark, principal at Denver-based Schenkein, says that the phone has been ringing off the hook with business coming from a variety of sectors. Her partner, principal Christin Crampton Day, said that 2003 was the best year for the firm, and that last year revenues were just under \$3 million.

Things are going similarly well at PRACO Public Relations and Advertising, headed by CEO Nechie Hall, who says that 2004 was the second-best year ever for the firm.

"PR is evolving in so many different ways that ... it transcends getting publicity," she says. "You have to understand [your client's] psychology and motivation. Only then can you produce an intelligent PR program."

But Gwinavere Johnston, CEO of Denver-based JohnstonWells PR, which she founded 33 years ago, says it could be a bit premature to uncork the champagne. Although she admits that the PR business seems to feel a lot better and that there's more potential for growth, the data say otherwise.

"Things haven't moved forward as well as economists predicted," Johnston says. "If [other firms] think things are peachy keen, they're not looking at their numbers. We went through such a rough time, it's hard to be optimistic. I prefer to be more practical."

One area of agreement for agency heads is the growing importance of Colorado's

burgeoning Hispanic community. For example, about a third of Denver's population is Hispanic.

Arguably, few in the region know as much about Hispanic PR as Elizabeth Suarez, president of Greenwood Village-based Xcelente! Marketing & Advertising, which she started with founding partner Toti Cadavid in 2002.

Suarez says that more than 65% of Colorado's Hispanic population has lived in the state for 10 years or more, becoming more assimilated and tending to be financially better off than more recent Hispanic immigrants to Colorado. But she adds that Hispanics tend to react better to a different approach because the community expects more loyalty and trust in business dealings.

Xcelente! started out with just two clients, but now boasts more than 20, and her initial staff of two has grown to eight, Suarez says. Her clients include mainstream companies, governments, realtors, and financial services that want to target Hispanics.

"We are so ingrained in the Colorado Hispanic community, but we also want to help other companies move to Colorado," she adds.

The corporate world

The relative upswing in the region's economy has not been lost on Coloradan companies' in-house communications teams, which say that budgets are strong, though some companies prefer to do all their PR work internally.

One of these companies is Western Gas Resources, which conducts natural-gas exploration throughout the Rockies. Ron Wirth, director of investor relations, says that recent increases in energy prices have turned out well for the company. He adds that, while the Colorado economy used to be based heavily on oil and gas, it's much more diversified now.

But the increase in business doesn't mean that Western is looking for outside PR help, says Stephen Flaherty, government and media affairs representative, as most PR agencies wouldn't have the specialized knowledge necessary to talk about natural gas that is available in-house.

However, the world's largest gold producer, Denver-based Newmont Mining, has dealt with four outside PR firms for work, including crisis communications, media training, and polling research, says Doug Hock, director of public affairs and communications. He adds that the company started to see an upturn in business in 2002.

Outside PR firms have also been indispensable to Denver-based Qwest Communications. The company has contracts out with three Denver firms, as well as with firms in Washington, DC, and New York City to handle, respectively, public policy issues and its recent merger discussions with MCI, says Joan Walker, EVP for marketing and communications, who heads an in-house staff of 12.

The local firms handle consumer products, corporate social responsibility, and consumer and small-business product marketing.

Walker says that rather than go with one agency on retainer, "We decided to replicate best practices with outside agencies that would augment our core competencies."

The local media

In dealing with the media, Qwest CEO Richard Notebaert has called for openness, accessibility, and transparency, says Walker. As part of this mantra, Walker adds that Qwest never issues a "no comment" to a reporter, little is off-limits, her staff is cognizant of reporter deadlines, and when important company news is about to break, it's shared with employees first, so they don't read about it later. She also schedules editorial board meetings with newspapers.

Marc Lumpkin, director of corporate communications for Englewood-based EchoStar Communications, which provides DISH Network satellite television, says that the media has been very receptive, bolstered by what he calls nearly constant increases in rates from cable TV providers, which tend to make the news in local markets.

In November, Lumpkin capitalized on this trend, issuing a media alert to thousands of reporters in areas where cable companies had raised rates, citing actual headlines from newspapers. The alert stated that DISH's PR staff was available to help reporters with their stories by providing interviews with disgruntled cable customers in their areas who had switched to DISH, as well as with local satellite TV retailers gaining customers as a result of the increases.

While Colorado hasn't had the most positive news coverage over the past few years, with the JonBenet Ramsey case, the Columbine school shooting, and the Kobe Bryant case grabbing headlines, PR pros say that their working relationships with the media are good, and coverage is improving.

"We make sure [the media] know what we're interested in," says Johnston. "We have a good staff that understands what is news and what isn't," adding that she staffs specialists in both print and broadcast outreach because "they're two different animals."

At PRACO, about 75% of media pitching goes to publications outside of Colorado, even though most of the firm's client's are in-state, says Hall, adding that she has a team of five who do nothing but pitch tourism.

Day says that if anything positive has come out of the attention the national media has given to the salacious cases, it's that a lot more out-of-state papers have opened up bureaus in Colorado as a result, and the state is garnering more positive media attention. She adds that *The New Yorker* recently did a story on Denver's dining scene.

"The better the business community gets, the better the journalism," adds LeGrand-Hart.

But this new attention also requires changes and a willingness to go the extra mile.

New opportunities "are aligning in Colorado," says Metzger. "We need the best PR people in the world. Client expectations are high. It can no longer be business as usual."