



#### GOING NEGATIVE

Sitrick and Roehm could be counting on a media blitz to force Wal-Mart to the table



#### SHOWDOWNS

# OUT FOR BLOOD? WHO YOU GONNA CALL?

Julie Roehm hires attack machine Michael Sitrick, escalating her war with Wal-Mart

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**J**ULIE ROEHM'S LEGAL AND public-relations strategy may seem hyperaggressive. Besides suing Wal-Mart for wrongful termination, the former marketing star has accused its top officers of violating the company's conflict-of-interest rules. Now Roehm has hired Michael Sitrick, whose Los Angeles public-relations firm is known for going atomic on opponents, using "truth squads" (which dig up alleged inaccuracies in the media), "wheel-of-pain" tactics (negative publicity to quicken settlements), and high-profile journalists (who write profiles).

Roehm seems to be angling for a big payout. And if that means going negative with Sitrick's help, she appears willing to go there. Truth be told, it's probably the only option she has left. "They've already done as much as they can to try and destroy her career, so I don't know that she

has a whole lot to lose," says Paul Verbinen of Sard Verbinen, the crisis PR firm that advised Martha Stewart during her insider-trading case. Roehm's keeping the issue alive, adds Verbinen, means "Wal-Mart has more to lose."

Hiring Sitrick has all the classic elements of an unrelenting communications strategy constructed to support a lawsuit. Says legendary New York PR fixer Howard Rubinstein: "I've no doubt she hired him to tell her story in the most difficult, attacking method he knows." Adds crisis management expert Eric Dezenhall, who defends the oil industry: "What is clearly happening here is a premeditated strategy to make this as painful for Wal-Mart as possible so that they come to the table."

For clues as to where the story goes

**Sitrick:**  
"It doesn't take a lot of work to get Wal-Mart to come off as the bully"

from here, look to Sitrick's work on behalf of former Hewlett-Packard Chairman Patricia Dunn, who was forced to resign in connection with HP's spying scandal. The parallels start with two women accused of wrongdoing by big opponents. "It doesn't take a lot of work to get Wal-Mart to come off as the bully," says Sitrick. "It's a clear David-and-Goliath situation. Julie is the underdog."

In Dunn's case, Sitrick was instrumental in working closely with her lawyers to give influential reporters—what Sitrick calls "lead steers"—access to Dunn. That resulted in profiles that allowed her to put forth her narrative, earning her more sympathy.

Experts say Wal-Mart, whose PR efforts have been known to backfire in the past, may be ill prepared for the coming onslaught. The Sitrick hiring was a surprise to Richard Edelman, whose eponymous PR firm Wal-Mart pays to run its war room in Bentonville. "That's unbelievable," he told *BusinessWeek*. "This is the heavy artillery." It doesn't help that Sitrick will use Wal-Mart's reputation against it. Says Dezenhall: "Wal-Mart's job is trying to convince people that Fay Wray was the real threat to King Kong."

Wal-Mart declined comment, but it has given no indication it will budge. The company has said it fired Roehm for carrying on an affair with a subordinate and accepting gifts from a potential business partner.

Roehm denies both. What's clear is that Roehm, who declined to comment for this story, made a poor cultural fit with Wal-Mart; she has conceded as much in the past. Yet Wal-Mart's hardball response has also confounded many. The company already faces image problems and slowing sales. "A sense of self-righteousness can blind you to a more prudent course of action," says Walter Montgomery, a partner at PR firm Robinson Lerer & Montgomery. Luring top talent to Bentonville is already a challenge. A sideshow like this can't help but scare off other change agents. "This is a peanut," says Rubinstein. "But it's a peanut they could choke on." ■