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Sending a Message: Sitrick Brincko Chief Executive Michael Sitrick in front of 'The Deal,' which Sitrick calls one of his favorite paintings, at the firm's Century City office.

On the Line

By JOEL RUSSELL Staff Reporter

SINCE starting his crisis management firm in 1989, Mike Sitrick has handled media relations for more than 300 bankruptcy cases, including such spectacular meltdowns as Orange County's and Global Crossing's. Sitrick also has helped scandal-plagued organizations navigate controversies, including those that hit the Catholic Archdiocese of Los Angeles and the Getty Foundation. On the high-profile personality front, he worked with billionaire Ron Burkle on his divorce, Paris Hilton on her jail scandal, Roy Disney on his ouster of Michael Eisner from the Walt Disney Co., and actress Halle Berry on her hit-and-run case. He helped Patricia Dunn, former chairwoman of Hewlett-Packard, clear her name after she was accused of illegal surveillance to plug media leaks. Sitrick started his career in corporate communications with American National Can Group in Chicago, where he grew up. He then moved to Wickes Cos. in San Diego, which went through bankruptcy reorganization from 1982 to 1984, providing Sitrick an opportunity to hone his crisis management skills before opening his own shop, which now employs 60. In October 2009, Resource Connection Inc., a publicly traded firm based in Irvine, bought Sitrick & Associates along with Brincko Associates, a bankruptcy advisory firm, in a \$43.3 million package deal. Sitrick will stay on as chief executive of Sitrick Brincko Group LLC.

Sitrick met with the Business Journal at his Century City office to discuss the trajectory of his company and explain how his efforts have preserved thousand of jobs.

Question: What do you like best about your job?

Answer: I love righting injustice as we helped to do with Patty Dunn, as we helped to do with Interstate Bakeries in Irving, Texas. The lender wouldn't provide financing and 23,000 jobs were at stake. We got the unions involved. They contacted Sen. Charles Schumer and then-Sen. Hilary Clinton. The senators wrote the chairman of the finance company demanding an explanation. Magically, Interstate Bakeries got the loan. We have hundreds of stories like that. The actions we took encouraged the lender – "encouraged" in quotes – to provide financing and ensured the continuation of 23,000 jobs.

Q: Give an example of what function you perform for clients.

A: We had a call for damage control on a ski resort liquidation on a Friday afternoon. I said, "Why are you liquidating? Are you losing money?" "No." "Then why?" He said his bank was sold to an out-of-state bank and they pulled the line of credit. I said, "You don't have to close that ski resort."

Q: Did you offer him a finance plan?

A: No, but I said, "When the governor of Col-

PR maven Mike Sitrick says he has to be reachable 24-7 while helping high-profile clients such as Global Crossing and Paris Hilton navigate controversies.

Michael Sitrick

TITLE: Chief Executive

COMPANY: Sitrick Brincko Group LLC, a subsidiary of Resources Connection Inc.

BORN: Davenport, Iowa; 1947

EDUCATION: Bachelor's in business administration and journalism, University of Maryland

CAREER TURNING POINT: Leaving American National Can to work for Wickes Cos.

MOST INFLUENTIAL PEOPLE: Frank Considine, former chairman of National Can; Sandy Sigaloff, former chief executive of Wickes Cos.

PERSONAL: Married 40 years to his college sweetheart, has three grown daughters and three grandchildren. Lives in Pacific Palisades with a weekend home in Malibu.

ACTIVITIES: Family vacations. "When you're as focused on your career as I am, you don't have time for hobbies."

orado gets a call from the Denver Post and is asked when the banking commissioner approved that bank takeover, if he bothered to ask whether the new owners would take actions that would devastate an entire town,

wipe out a business and abandon the single most important industry in the state, what is he going to say?" Dead silence on the line. I said, "Are you there?"

Q: Did he ever respond?

A: He said he wanted to negotiate with the bank. I said, fine, but let us line this up. The deadline for the loan was the following Friday. On Monday, the Denver Post reporter called the bank, the governor and the banking commissioner. Then a state senator called for hearings. On Tuesday, the chairman of the bank, the governor and the banking commissioner all issued statements that there had been a huge mistake.

Q: So the situation resolved itself?

A: Well, we decided the bank hadn't been under the wheel of pain long enough. So the next day, we had all these stories appearing everywhere. By Friday, they renewed the line of credit and significantly reduced the interest rate.

Q: Today most public relations firms specialize in investor relations, government relations or media relations. How about your firm?

A: We don't stay in any of those boxes. When we do a merger or bankruptcy, we have to deal with the employees, vendors, lenders and leaseholders. But basically, it's about telling the

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story. That's why I have this bias for hiring ex-journalists. It's easier to teach a journalist what PR is than to teach a PR person what news is.

Q: What if the client doesn't want the story told?

A: There are times you have to say "no comment." There are times you have to take your lumps. The thing is, with "no comment" the PR firm can blame the reporter or the publication, but they don't take the blame themselves.

Q: What happens if you go beyond "no comment" and the client complains?

A: I can't rewrite the facts. Fortunately, we don't get that situation very often. We don't lie, we always tell the truth; but, of course, we are an advocate for our clients.

Q: You don't lie?

A: That's exactly right.

Q: What if the client lies to you?

A: We have a firm of ex-journalists, so we do our own investigation. If we catch a client lying to us, we'll resign. We don't take every client that comes in.

Q: Whom have you turned down?

A: It's not appropriate to disclose whom we turned down. But it's not accurate that we turned down Michael Jackson. It has been reported, but he never came near us. However, we are representing the Michael Jackson estate.

Q: What if a reporter calls and has the goods – an accurate, negative story on your client?

A: We represented National Medical Enterprises (a Santa Monica health care company facing multiple suits for alleged insurance fraud). They said, "We can't get into defending ourselves." I said fine, but you can say that you have taken actions to make sure that whatever you are accused of will not happen in the future. There are ways to defuse a story without addressing guilt or innocence, and show contrition.

Q: Can you give an example?

A: We had a corporate crisis at a company. We were brought in by the audit committee of the board even though the company was represented by another PR firm. The company had received an inquiry from a reporter at a national magazine. During a conference call, the head of the other PR firm said the reporter "only does negative stories." I said, "Do you even know what she wants? Do you know her questions?" No, but the other big New York firm said, "We recommend very strongly that we not respond."

Q: What did you do?

A: I said, "With all due respect, that's the stupidest thing I've ever heard." You could hear gasps over the phone. I said, "Find out what the reporter wants. At worst, then say 'no comment.'"

Q: What came of it?

A: The reporter had some facts wrong. We showed her why and gave her the right facts. The story was published and it was benign. Now, had we not engaged, the story would have been terribly negative and the company would have been unhappy. The other PR firm would be whining about how unfair the reporter was.

Q: Those PR firms see "no comment" as neutral. How do you see it?

A: "Guilty as charged" in most cases. When a person goes on the witness stand and takes the Fifth Amendment, how do you read that? Same difference.

Q: What's a typical day like?

A: I don't require much sleep – four or five hours. I'm usually up by 6:30, check my BlackBerry. I might have a breakfast meeting at 7:30, but I'm in the office by 8:30. I eat lunch in the office. I usually leave at 7 at night to have dinner with my wife. After

dinner I check my BlackBerry, and as my wife is getting ready for bed, I check the computer again.

Q: How about when you travel?

A: In New York, the day starts with an 8 o'clock breakfast meeting and goes until an 8 o'clock dinner meeting. My secretary always knows where I am, and I have two shifts of secretaries, one from 8 a.m. to 5 p.m., and another from 5 p.m. to 8 p.m.

Q: You're always available for your clients; isn't that tough for your family?

A: Either you're in or you're out. There is no half-throttle in what I do. I'm going on holiday, I'll be on the beach with my family and I'll have my BlackBerry there. My family will give me credit for being there, even though I'm working most of the day.

Q: But aren't you peppered with interruptions at work, too?

A: You have to multitask. Fortunately I have a really good team. If I handle a crisis for Client A and Client B calls, one of my executives will handle it.

Q: And if a client called right now?

A: I'd take it.

Q: What can other entrepreneurs learn from your company?

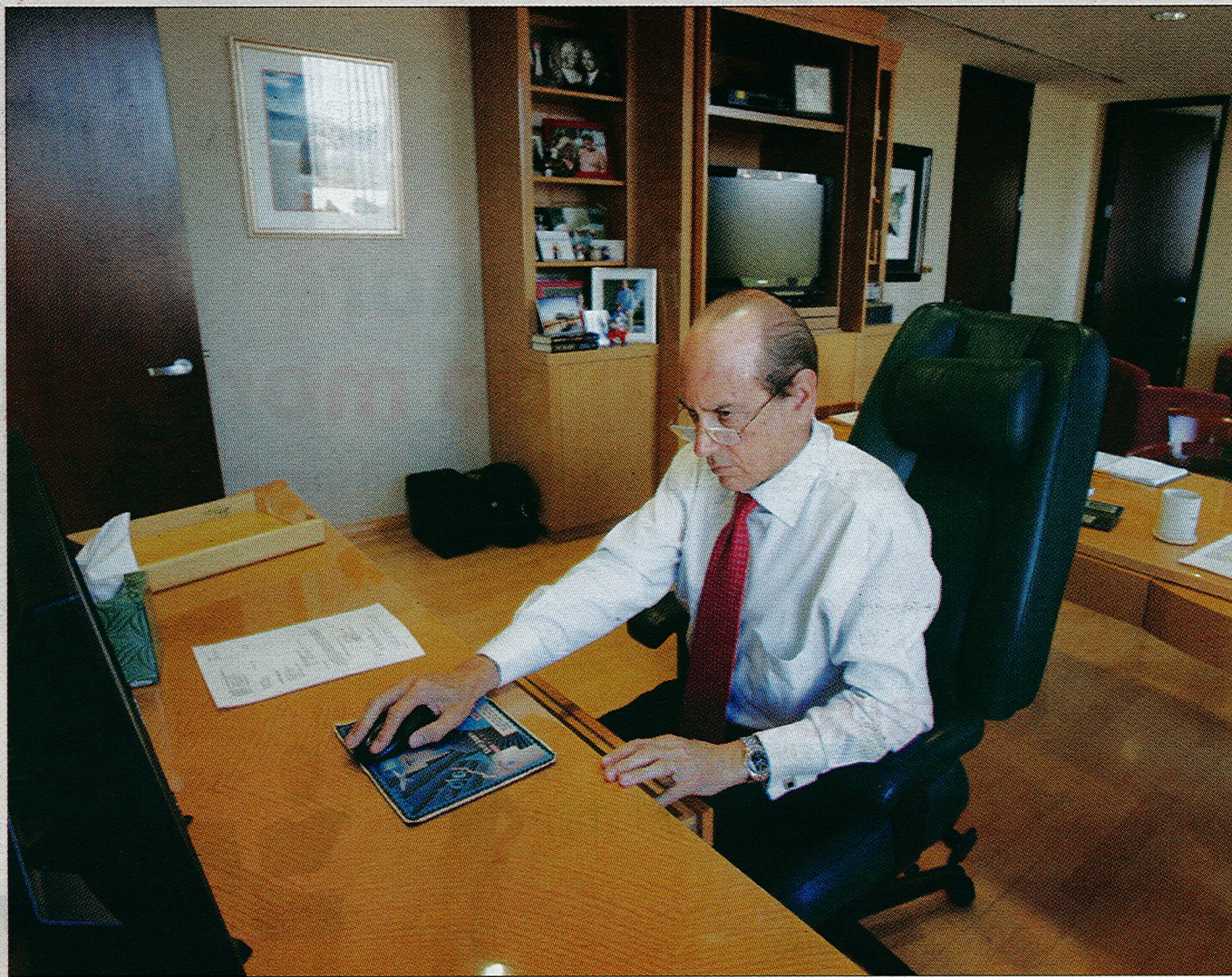
A: There are no shortcuts. It's all about hard work, a willingness to make those sacrifices. Sitting at dinner when the phone rings and getting up to deal with a client problem. You owe that to your clients. It's corny, but I feel an obligation to my clients. I can't tell you how many times my wife has put up with it. But if you aren't willing to do that, the client will find someone who is.

Q: What is your biggest regret?

A: Time away from my family. There is a

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MICHAEL SITRICK, Sitrick Brincko Group



Plugged In: Sitrick in his office at the firm's Century City headquarters.

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moment seared in my memory: My daughter and now son-in-law drove in from Sonoma to San Francisco to have dinner with me. A client called and the whole time at dinner, I was on the phone. Those moments are my biggest regret.

Q: What personality traits do you possess that made you successful in this career?

A: I'm very driven, obviously. And I'm a terrible loser. I won't do anything unless I can win.

Q: What are some moments you remember with total satisfaction?

A: When all charges were dropped against Patty Dunn, chairwoman of Hewlett-Packard. The 45.3 percent no-confidence vote against Michael Eisner, CEO of Disney, because Roy Disney, rest his soul, was a client. The time we helped save 23,000 jobs. Those are very satisfying.

Q: You claim your firm is mediacentric. What if circulation and TV audience continue to decline to the point where the media has no power?

A: I don't think that will happen. There's a shakeout. The problem print media has right now is monetizing Internet news. But people still want the news. I don't think the media are going away. We do have a growing digital practice.

Q: What was the turning point of your career?

A: I see various turning points. When I left National Can and moved to San Diego to work at Wickes Cos., that was a huge bet on myself. I could have stayed at National Can my whole career. Then when Wickes was bought by Wasserstein Perella and Blackstone Group, I had all kinds of corporate opportunities, but I wanted to start this company.

Q: Opinion polls show public relations is one of the least-respected professions. Why?

A: People don't understand PR. They think of publicists for celebrities. The public has no idea what I do, and that's fine. There are books about cases I was intimately involved in, and my name never shows up. That's not an accident. I'm the man behind the curtain.

Q: How did Resources Connection find out about you?

A: I was in a bankruptcy, and the client said, "It's one thing to pay \$895 an hour for your services, but when I also have to pay \$450 per hour for an accounts payable manager, it's horrible." I went to Resources Connection and the CFO said he could do accounts payable for 40 percent less.

Q: And that led to the sale?

A: It was a no-brainer. By combining our services, we can offer a package deal and that's what companies want right now.

Q: You charge \$895 an hour?

A: Right.

Q: How did you come up with that number?

A: Our competition – if we have competition, at the risk of seeming immodest – are New York firms. If you look at New York prices, we are competitive.

Q: Do you still own your company?

A: I'm a substantial shareholder of Resources Connection, but I don't own my company.

Q: Aside from money, what did you get from this deal?

A: It gives me 50 offices in the United States and offices overseas. So it gives us a platform to expand to a global basis. That's why I did it.

Q: Do you plan to retire?

A: No. My father is 85 and still goes to work every day.