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Premium

Inside the rise of Jennifer Prosek, who went from upstart to financial public relations juggernaut who spins for clients like Goldman Sachs and Bridgewater Associates

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- Prosek Partners has become a juggernaut in financial public relations, helping spin for Goldman Sachs, Bridgewater Associates, and other financial giants.
- Its founder and CEO Jennifer Prosek started in PR straight out of college, serving clients like local law firms, real estate brokers, and an ambulance company.
- She branched out to financial services companies, winning clients like HSB, GE Capital, and Travelers Insurance and growing Prosek into a 230-person firm that claims almost \$60 million in annual revenue.
- But as the agency expands to crisis situations, it faces competition from established firms like Sard Verbinen & Co. and Joele Frank.

In 2015, Goldman Sachs was looking for a public relations agency to promote its asset management division and attract more clients.

Then-managing director David Wells asked five of the best-known financial PR firms and five up-and-comers to pitch. He chose an upstart called Prosek Partners.

Winning one of banking's best-known names was a watershed moment for Prosek Partners, which had been trying to convince financial services companies they needed to market themselves as brands unto themselves.

"That idea was slightly unpopular, for the first few years, but after the financial crisis, that was really a moment for us," CEO and managing partner Jennifer Prosek told Business Insider. "Every firm including hedge funds and private equity said, 'We need to get off the back foot and we need to manage our reputations, we need a digital footprint, we need a brand.'"

Prosek started in PR straight out of college

Prosek entered PR right out of college in 1990, working for family friend Dan Jacobs. They took every client they could get, including local law firms, real estate brokers, and the local ambulance company.

Prosek became a partner a couple years later, bought out Jacobs, and rebranded the firm Prosek.



Photo provided by Page/Prosek Partners

Jennifer Prosek, managing partner of Prosek Partners.

As financial companies moved to Connecticut where the firm was based, she pursued their business, eventually winning Travelers Insurance, HSB, and GE Capital as clients.

"We decided we would be better off bringing sexy to more staid industries that happened to be based in Connecticut," Prosek told the Connecticut Post.

The bet paid off for Prosek Partners, which has notched double-digit revenue growth every year since 2010 and expanded into a 230-person firm that claims almost \$60 million in annual revenue.

This year, the agency's PR and marketing work has taken the form of things like web design for financial clients as the virus wipes out in-person events. One private equity client increased their digital budget with Prosek by at least 50%, she said. Another had Prosek shoot 88 videos for an annual meeting, up from two in the previous year.

"All you have is your digital profile right now," Prosek said of the pandemic's effect on financial services firms. "You saw massive investment as every investment fund had to figure out how to fundraise digitally. Smart communications players are well positioned to help clients do well in a digital world."

Prosek is branching out to handle crises and other tricky situations

In recent years, Prosek has been branching out beyond the firm's core financial services marketing to what the PR industry calls "special situations," which includes litigation, restructurings, bankruptcies, mergers and acquisitions, shareholder activism, and crisis.

Prosek hired Andy Merrill, the former U.S. CEO of Finsbury and a former senior managing director at Teneo, in 2015 to build the practice, which has a team of around 10.

Referrals tend to come from clients, which are mostly private equity firms, hedge funds, and other banks; and corporate law firms like Quinn Emanuel Urquhart & Sullivan.

The marketing and special situations work helps the firm sell more services to existing clients. A marketing client might hire Prosek to handle activist shareholders, while a special-situation client might decide to keep Prosek on a retainer after the situation ends.

Earlier this year, asset management company Amundi Pioneer hired Prosek as its agency of record. When Saba Capital launched an activist bid, Amundi called on Prosek to help fend off the bid.

Merrill believes heavy turnover in this area of PR can benefit Prosek by freeing up talent. Top execs like Jonathan Gasthalter, a Sard Verbinnen & Co. vet, and Steve Lipin, the former U.S. leader at Brunswick Group, have started their own agencies while the firms Abernathy MacGregor and Kekst CNC sold their businesses to large holding companies.

Competitors have doubts that Prosek can succeed in special situations

Creating a special situations practice requires financial acumen, crisis skills, and time, and it's an area dominated by heavyweights like Joele Frank, Brunswick Group, and Sard Verbinnen.

One competitor, who asked to speak anonymously to protect his industry relationships, expressed doubt that Prosek could build an entire practice around Merrill and a handful of others.

"A lot of companies have tried to get into the deal space," this person said. "The big agencies have tried and they mostly failed. Prosek as far as I can see is more of a publicity kind of shop."

Another competitor, Paul Kranhold, co-president of Sard Verbinnen, said it was hard for a firm to expand into special situations but that he thought there was room for more players in mergers and acquisitions PR.

"With the stakes so high for clients, most want the proven experience and are unwilling to take a chance on firms who have less of a track record," he said. "But there are a lot of smart people who are trying to take market share, and we don't take our leadership position for granted."

For its part, Prosek's executives said they've developed a strong enough reputation that the work is rolling in and that the firm represents not just activists but brands defending themselves against activists.

"Our competitors like to say we only do offense, but the numbers tell the tale," Prosek said. "And we are not necessarily focused only on the crowded M&A space. Our firm represents the most private equity and alts players of any firm in the market, and they throw off a great deal of special sits work."

Merrill added that retainer-based work would remain the bedrock of Prosek's business.

"We will always be principally a retainer and relationship-based firm," he said. "However, as our firm has grown, if our clients have a significant transaction or they get hit by an activist approach, we want to be in a position to say we can do that and go toe-to-toe with any of the strategic firms."