

# KPR Case Study

## Diversified Investment Advisors

Not OK  
with 401(k)'s

### Background

Diversified Investment Advisors is a national investment advisory firm specializing in retirement plans. Diversified sells 401(k) plans to employers who then offer them to their employees to save for retirement. The company helps more than one million participants save and invest for retirement. The company's expertise covers the entire spectrum of defined benefit and defined contribution plans.

Typically, companies that sell a product or service to other companies find themselves locked out of the mainstream national press simply because what they sell is too specialized or complicated for large scale beat reporters to cover. As such, these companies tend to rely on a limited band of trade publications for publicity. But by tackling subjects in the media that are of interest to their customers' end users, these users can often break into the wider national press and enhance their brand.

### Challenges and Opportunity

Historically, the company had been consigned to the 401(k)-oriented trade press. While important, it wanted to expand its media efforts to include the national mainstream press.

KPR recognized that since Diversified handled all the customer service and administrative needs of the individual 401(k) plan participants, it was in an excellent position to take to the press not only its own story but that of the typical consumer trying to save for retirement. Diversified was thus uniquely qualified to comment on the broad impact of issues affecting how Americans plan and save for retirement. We also knew that when stories would break in the media that directly affect how Americans save, Diversified would be able to provide an expert informant at a moment's notice.

Beginning in the fall of 2001, a series of corporate scandals began to make front-page news. The names of some of these corporations—Enron, Global Crossing, and WorldCom—soon became synonymous with corporate malfeasance and greed. The collapse of Enron, in particular, led to a virtual overnight multi-billion dollar deflation in the value of Enron stock, costing thousands their jobs and shaking public confidence to the core. This was the so-called "crime story." We knew what would follow would lead to a tremendous opportunity for Diversified to emerge as a thought leader in the



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weeks after this story broke.

## **Strategy and Tactics**

As this story unfolded, we knew what the press would be writing about next before they wrote about it. Why? Because we were keenly aware from our work with Diversified and our knowledge in retirement planning that Enron, and many other companies that had seen a precipitous fall in the value of their stock, generally had far too much company stock invested in their employee 401(k) plans. And rules often required these employees to hold on to their company stock, even when top insiders in the corporate suites were unloading their shares. As a result, Enron employees watched in horror as they not only lost their jobs, but also saw the value of their 401(k) plans collapse as Enron stock plunged.

This was one of the quietly ticking time bombs within the world of retirement planning that had finally exploded-- investing a large percentage of 401(k) plan assets in one's own company stock was potentially a huge investment mistake. Now it was indeed happening to hundreds of thousands of unsuspecting workers with catastrophic consequences.

So we knew the follow-up to the crime story, and we knew how to incorporate our client's expertise into these pieces. We just had to time the release of our story based on the exact moment when the press would be ready to cover it.

We kept track of our target reporters, which in this instance were not the national beat reporters who were writing the initial scandal stories. Instead, we focused our attention on the personal finance reporters, whom we knew would be covering the loss-of-savings angle. In ongoing conversations with some of these reporters, we had a very good sense of when these stories would begin to appear.

Our first break came with Christine Dugas at USA Today. As the personal finance/retirement planning beat reporter for this national paper, she had told us that she would soon be covering the "company stock" angle, and would then be ready to talk to our client, Diversified, as an expert source on this subject. After setting up the interview with USA Today, we immediately issued a news release that discussed the potentially severe consequences of these kinds of 401(k) plan designs.

## **Results**

The first place our story appeared was on the front page of USA Today. The story was then picked-up by most of the other newspapers within the Gannett News Service. Our timely story pitch was also covered by the Associated Press newswire, which subsequently appeared in daily newspapers throughout the country. In the succeeding weeks, we received numerous requests from reporters wanting to speak to Diversified executives on the continuing 401(k) story and on other matters relating to retirement planning. We followed up with another news release that focused on why workers should continue to defer money automatically to their 401(k) plans and the long-term stabilizing effect this can have on the markets. This led to yet another round of publicity for our client. Today, Diversified Investment Advisors remains one of the top thought leaders on retirement issues with the mainstream national business press and has increased its assets under management to \$50 billion.