

The Magazine of the Future

An Interview with Cathleen P. Black, President, Hearst Magazines

EDITORS' NOTE Cathleen Black is a graduate of Trinity College in Washington, D.C. and holds eight honorary degrees. She began her career in advertising sales with several magazines, including *Holiday* and *Ms.*, and made publishing history in 1979 when she became the first woman publisher of a weekly consumer magazine, *New York*. Black is widely credited for the success of *USA Today*, where for eight years, starting in 1983, she was first



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President, then Publisher, as well as a board member and Executive Vice President of Marketing for Gannett, its parent company. In 1991, she became President and CEO of the Newspaper Association of America, the industry's largest trade group, where she served for five years before joining Hearst Magazines as President in 1996. Black serves as a member of the boards of IBM and the Coca-Cola Company. From 1999 to 2001, she served as Chairman of the Magazine Publishers of America. She is also a board member of the Advertising Council, a trustee of the University of Notre Dame, and a member of the Council on Foreign Relations. *Fortune* and *Forbes* have placed her on their lists of the most powerful women in business.

COMPANY BRIEF Hearst Magazines is a unit of the privately held Hearst Corporation (www.hearst.com) and one of the world's largest publishers of monthly magazines, with a total of 15 U.S. titles and nearly 200 international editions. The company also publishes 20 magazines in the United Kingdom through its wholly owned subsidiary, the National Magazine Company Limited.

Were you surprised at the speed and the severity of the economic downturn across all industries, but especially in publishing, and are we on the road to recovery?

I wish I had a crystal ball, but we have been preparing for a changing media environment for several years now. The media environment is rapidly changing, so it can't be business as usual.

Looking ahead, it's hard to see exactly when the clouds lift. So we adjusted our internal mechanisms to support reduced revenue. We feel optimistic about the future. Strong brands will thrive and tough times bring opportunities

for start-ups, acquisitions, or new ventures that might not have been possible three to five years ago.

You've had a successful company with flourishing titles for a long period of time. Have your people understood the need for change, and how have you communicated it?

In terms of leadership, it's a very important time to be in front of your people and communicating on a frequent basis about where you are and where you want to go – people always

want to know about the future. Years ago, I started a visioning process where I bring together a group of 15 to 20 editors, publishers, senior management, and finance people off-site for a day and a half to address our view of the horizon. We look at how to best maximize what we believe is coming up in the next year or two, and address the areas in which we should be innovating and pushing technology in order to produce magazines more efficiently, creatively, and effectively. We always want to be about quality, creativity, and innovation, but behind the scenes, we have to be asking if there are new ways of doing things. There's an appetite for accepting that concept in a different way than we did probably five years ago.

The tremendous impact of the Internet has been a great learning curve for all of our editors given all the Web sites that we've created or acquired. Everyone is multitasking within new job definitions that didn't exist five or seven years ago.

To offset some of the doom and gloom in the advertising marketplace, we created a presentation called, "The Magazine of the Future," and have presented it in key cities including New York, Los Angeles, Dallas, Minneapolis, Detroit, San Francisco, Milan, and London. We have brought together advertising clients and advertising agencies, plus all of our employees in New York and other offices. We're doing this because I want people to feel positive about the future of magazines, especially our own advertisers. The theme of the presentation is innovation in editorial, digital, advertising solutions, and technology, and ends with the e-magazine of the future. We demonstrate new and unique ways to use magazines for our advertisers. The response has been overwhelmingly positive.

With so much focus on digital

publishing, do you believe there will continue to be a print component?

Yes, I do, because the value and experience that a printed magazine brings to its reader is quite different than what one gets from a Web site. Whether a magazine is about entertainment, service, or inspiration, the experience is an involving one. Whether it's *O*, *The Oprah Magazine*, or *House Beautiful*, or *Cosmo*. These are all desirable products, with strong consumer demand. *Cosmopolitan*, on average, can sell 1.7 to 2 million newsstand copies month in and month out, plus another 900,000 to subscribers. And that newsstand buyer is making a decision every single month. So I believe in the future of magazines as we know them today, but I'm equally committed to working on the e-reader, whether that's an iPhone application, a Web site, or what any new electronic device would look and feel like, whether that becomes 15 percent of our future reader base or 50 percent. We just need to be innovative and device agnostic.

While Hearst is known by many of its U.S. titles, you also have a tremendous international focus. Are most of the growth opportunities international?

Our growth will come in the U.S. and outside the U.S. We're having nice success right now with the new *Food Network Magazine*, a category that Hearst Magazines was not in. But we're very keen on international. We publish 200 magazines in some 100 countries, but they too have been hit hard in the past year, in Western Europe and the U.K. We anticipate that China will continue to be very strong and exciting, and that Russia and Eastern Europe will rebound, probably at quicker rates than our U.S. properties.

When you look at potential for new titles, what is the key ingredient you look for? Does it need to complement other publications you have?

It doesn't need to complement other publications that we have, although it makes sense to live in some of the categories where we have strong client and agency contacts and relationships. The most successful magazines deliver on a need, not on a demographic, and that's where many new magazines make a mistake. They think there should be a magazine for women over 40 or men over 50 when few want to be identified by age alone; that doesn't make a very compelling magazine. But *O*, *The Oprah Magazine* launched with a focus on the "inner"

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issues for women, and is full of inspiration. The vitality and enthusiasm of the Food Network television brand was rechanneled into the pages of the magazine, maximizing the contributions of the chefs and making it full of service for the reader. At the end of the day, it really is about need, and you have to figure out if the need is out there. You don't want to be seventh in a line of seven magazines in X category or Y category, so we try to figure out a sweet spot and identify the circulation and advertising potential. We're a big company, so we need magazines of scale. I like to say that I need two or three big ideas, not 30 little ideas, because the little ideas don't scale up.

Many associate entrepreneurial culture with start-ups or small-size companies. Is it hard to breed that culture in a larger company, and with the size of Hearst Magazines, is it important to have the right talent to accomplish that?

It's very important for us going forward to have talent that will look at the media world in a different way. We want to be a talent-driven company, including talented publishers, marketers, and especially editors, because if they don't create a magazine that has strong consumer demand, all of the advertising in the world won't make it a very successful magazine. So the talent component is very important as we look at people either within our organization who we want to promote or from other companies that we have our eye on. Talented people bring a fresh way of looking at things; they can take something old and make it into something new in a very short time.

The *Food Network Magazine* is our most recent example of innovation within a large company. We launched it in less expensive space, with a much smaller editorial and advertising staff – a new model for us. As we build the circulation, which is already at 1 million, we need to move that advertising revenue as fast as we possibly can, while still keeping the overhead low. That's where a lot of new products make a big mistake – letting your expenses get way ahead of the revenue. Obviously, it's an investment. We're not in the black yet, but we're very encouraged.

Did you enjoy the process of writing *Basic Black: The Essential Guide for Getting Ahead at Work (and in Life)*?

I loved writing *Basic Black*. Because I was one of the early women leaders, who was a "first" many times, I know that I'm a mentor

and role model to legions of women coming up in the business world, so I really wanted to give back – that was the purpose. I wrote it to help women get a hold on their careers, and to think about their lives and the things that are important to them. I would have loved to have had this book 30 years ago. I've gotten hundreds of letters saying that very thing. At my husband's recent high school reunion in South Bend, Indiana, women came up to me and said they wished they'd had the book 5, 10, or 20 years ago. That's been the constant refrain. Young women stop me on the street and ask if I'll sign their book if they mail it to me because it's been so helpful to them. Being a *New York Times* best seller is great. I've gotten an incredible response, and I've given back to

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a wider audience than I've ever been able to do before. The book was quite successful and it's in 12 countries now, so it feels really good and well worth the effort and work it took to produce it.

Have opportunities for women in the industry evolved the way you might have hoped, especially at senior levels, and have we come far enough today?

I'm impatient, but my counterpart at Time Inc., Ann Moore, is a woman and that's one of the largest magazine groups in the world; so that's great, too. We have come a long way,

but my continuing wish is that all the meeting rooms and boardrooms I enter will hold a diverse group of men and women representing diverse cultures and backgrounds; that is the world I hope for.

Is it challenging as a leader today to remain positive?

I've always been a glass-half-full woman. I get up in the morning and I feel positive and optimistic; I've always been like that. My career took me into sales at the early stages of my professional life and I loved selling, the client contact, and trying to convince somebody that what I had to sell, they wanted to buy. But needless to say, we're all under tremendous pressure, so every time my colleagues and I walk out of a room, we have to have a positive look on our faces, because we are the signal. If a line of assistants or a group of ad sales people sees that we look glum, then they're going to be glum. It's not about being a Pollyanna, but there's a responsibility to be strong and positive. I've gotten a lot of feedback indicating that we're giving people hope about the future of magazines, especially from our own employees. Recently, I spoke at Columbia University's publishing course and the feedback was similar. They said, "You've given me hope," and that's really important. By and large, people today are worried, and not just about magazines; they're worried about their futures, and I want to give them an optimistic feeling. I can't make it happen for them, but I want to give them a sense of confidence.

You've been in this business a long time, but with the passion you have for it, those who know you say it's hard to see Cathie ever really slowing down. Do you think about it?

Sure, I have to. I don't come up with any good answers, but I do think about it.

Do you enjoy it today as much as ever?

Yes, I love it. One of my associates told me that I love tough times – and I do. I've been through tons of tough times in my career, either personally or professionally. The early days of *USA Today* were tougher than any job I could ever imagine in my life, but thankfully, I was a lot younger. I've completely enjoyed a career in media, whether in newspapers, in magazines, or now in a large media company. The people are smart, the work is ever changing, and there's room for growth. What's not to like about that? ●