

The Value of the Terminal

An Interview with Daniel L. Doctoroff,
President and Chief Executive Officer, Bloomberg L.P.

EDITORS' NOTE Daniel Doctoroff became President of Bloomberg L.P. in January 2008 and CEO in August 2011. From 2002 through 2008, he was the longest-serving Deputy Mayor for Economic Development and Rebuilding of the City of New York, under Mayor Michael R. Bloomberg. Before joining the Bloomberg Administration, Doctoroff was Managing Partner of Oak Hill Capital Partners, where he worked for 14 years. During 1994, while at Oak Hill, Doctoroff founded NYC2012. He was recruited into the Bloomberg Administration in late 2001. Doctoroff previously worked as an investment banker at the former Lehman Brothers. He received a B.A. from Harvard College in 1980 and a J.D. from the University of Chicago Law School in 1984. Before attending law school, Doctoroff was a political pollster. He is also a member of the Committee on Capital Markets Regulation, the Council on Foreign Relations, and sits on the boards of the Committee Encouraging Corporate Philanthropy, World Resources Institute, Youth, I.N.C., Human Rights First, Riverside Park Fund, and National Academy Foundation.



Daniel L. Doctoroff

COMPANY BRIEF Headquartered in midtown Manhattan, Bloomberg L.P. (www.bloomberg.com) is a privately held financial software, news, and data company founded by Michael Bloomberg and partners in 1982. The company provides financial software tools such as analytics and equity trading platform, data services, and news to financial companies and organizations around the world through the Bloomberg Terminal, its core money-generating product. Bloomberg L.P. has grown to include a global news service, including television, radio, the Internet, and printed publications, including the revitalized Bloomberg Businessweek

Today, many are concerned about stagnation and are uncertain about the future. Are we still on the right track toward economic recovery?

There is no doubt the recovery has been slower than most people would like, particularly in terms of employment. But it's important to reflect on where we are today compared to where we were two years ago.

In early 2009, we had \$2.7 trillion in government assistance through various bailout programs. Many thought we might lose hundreds of billions of

dollars on these bailouts. Today, it looks like we'll get paid back with a profit.

The financial institutions are largely healthy, which they weren't before the crisis hit. The automobile industry, which was more or less given up for the debt, had a market capitalization of \$8 billion in early 2009; it is now over \$100 billion.

So we've made enormous progress. Now it's up to leadership in Washington to define a set of rules of the road going forward that give people the confidence to raise the level of investment.

Have the key issues on financial regulation reform been addressed and are we safeguarding ourselves against another collapse?

There is no question that major reforms have been put in place. Are we seeing such a fundamental realignment within the financial services industry that it won't look the same going forward? No. But has there been significant de-risking? Absolutely.

Your business at the core is the Bloomberg Terminal. How do you continue to innovate around that product?

Over the past two and a half years, we have increased the size of our workforce by over 25 percent – the bulk of those people are technologists.

We have increased the number of touch points we have with our customers. And we have expanded our news operation and have gone more global. There are almost an infinite number of opportunities to make our core product, the Bloomberg Terminal, more valuable to our customers.

Ultimately, that is our major objective. By doing so, we open up new markets and ensure our existing customers will remain customers.

Your revamp of Bloomberg Businessweek has received a lot of acclaim. Do you have a commitment to print long term and do you envision a future for it?

Print will be the primary source of consuming content for a smaller number of people over time. They will be prepared to pay more for it, but you'll see meaningful migration, and relatively quickly, to digital forms.

Somebody asked me whether I expected to see *Bloomberg Businessweek* in print in 10 years and I honestly don't know – there is a chance you won't, as virtually everyone will have a tablet.

But there probably will still be a small group of people who will pay for the privilege of reading it in print.

What do you see as your major opportunities for continued growth?

We have three primary areas of growth opportunity, all of which leverage the skills we've built with the terminal, the relationships we have as a result of the terminal, or the infrastructure we've developed to make the terminal successful.

The first area is to move beyond the individual traders, salespeople, and investors who are primary customers to products and solutions that serve the data needs of our customers' entire organizations.

The second is to use our skills at ingesting large amounts of data, infusing it with news, providing great tools to analyze it, and then displaying and distributing it, which we've never done outside of the securities industry before, and to start applying them in other areas like government and law.

The third area is news. We are enthusiastic about our business model where unlike other news organizations, our news is not supported primarily by advertising and subscriptions but by a terminal. At the same time, the more efficient and more effective our news-gathering operation is, the more valuable the terminal is.

Still, we've largely done one thing for most of our history and it is always a challenge to diversify. A big part of the process we've been through over the past three years is learning how to do new things.

Is Bloomberg a New York-based company that does business globally or a global company that is based in New York?

Given who Mike Bloomberg is, it's hard not to look at it as a New York-based company that is truly global in its outlook.

New York is an essential part of who we are, just like it's Mike Bloomberg's DNA that is imprinted on this company and in many ways, guides what we do and how we do it.

The ethos of New York – the sense of unlimited opportunity, the diversity, the appreciation for multiple cultures, and the openness of it – is a big part of who we are.

What is it about New York that has made it a place where you can build a collaborative culture through organizations like the Partnership for New York City?

New York has a much stronger personality than many other cities and the types of people that run businesses or have major leadership positions with businesses see in New York a reflection, to some extent, of themselves.

I also think 9/11 got people to think about their responsibility to the city in a different way. ●