

A Springboard for Women Entrepreneurs

An Interview with Kay Koplovitz,
Chairman and Chief Executive Officer, Koplovitz & Company, LLC

EDITORS' NOTE Kay Koplovitz is the Founder of USA Network and the visionary who created the business model for cable networks by introducing the concept of two revenue streams – licensing and advertising. She founded USA Network under the banner of Madison Square Garden Sports in 1977, and was the first woman to head a television network. As a visionary of what sports television would become, Koplovitz launched major professional and collegiate sports on cable television by negotiating the first contracts and creating the first cable coverage for Major League Baseball, the National Basketball Association, the National Hockey League, the Masters from Augusta, Georgia, the U.S. Tennis Open, and a collection of NCAA sporting events. In 1992, she launched the Sci-Fi Channel (now The Syfy Channel), which has since become a top 10-rated cable network. In 1994, she launched USA Networks International, including The Sci-Fi Channel, into 60 countries worldwide. In 1998, President Clinton appointed Koplovitz to chair the bipartisan National Women's Business Council. She used this platform to launch Springboard Enterprises, an international accelerator for high growth women-led businesses. In 2001, she co-founded Boldcap Ventures. Koplovitz is the author of *Bold Women, Big Ideas*. She serves on the boards of *Kate Spade* (formerly *Liz Claiborne*) and *CA Technologies*, *ION media*, and *Time, Inc.* She has been awarded honorary doctorate degrees from *Emerson College*, *St. John's University*, *Michigan State University*, and *Canisius College*.



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COMPANY BRIEF Koplovitz & Company, LLC (koplovitz.com) is a media advisory and investment firm specializing in marketing and growth strategies for early to late-stage companies. It offers clients a unique advantage that spans both emerging and mature media companies with specialization in four major practice areas.

Did you envision early on that there was such potential for USA Network?

I heard a lecture in college on geosynchronous orbiting satellites and their potential for global communications. They weren't launched until 1965, and this was 1966. The lecturer, Arthur

C. Clarke (best known as a science fiction writer) was highly passionate about their power. I left the lecture thinking that I had to do something with it.

I wrote my master's thesis on satellite technology and its impact on communications, as well as on governments and cultures around the world.

From that point on, I kept looking for the opportunity to use satellites to communicate, and I was also working my way through school as a television producer. I had a summer job at WTMJ in Milwaukee, which

was an NBC affiliate, and realized there that people thought I had reached the pinnacle of my career as a producer.

What I wanted was to be the President of NBC and I felt the best way to achieve my vision was to start my own network. I worked, over the next seven years, at the Communication Satellite Corporation and at UA-Columbia Cablevision, trying to meet the right people.

I was fortunate to work for Bob Rosencrans at UA-Columbia. He understood the power of satellites and was among the first in the industry to back the use of satellites for commercial purposes in the early '70s.

On September 30, 1975 – the night that changed the course of television history – we transmitted the live boxing event with Muhammad Ali and Joe Frazier from Manila to Florida via geosynchronous orbiting satellite. We had a lot of Congressmen and Senators there, and were able to demonstrate that this was a good commercial use of the industry.

That is the night my vision came true. We launched USA Network in 1977 and chose sports because movies and sports are the two most popular types of programming out there – and HBO was there with movies.

At that time, Joe Cohen was running Madison Square Garden and it was fortuitous that the license period for MSG sports came up. We got the license rights for those 125 events and went on to create an all-sports network. We then brought all the major league sports to cable, including Major League Baseball, the National Basketball Association, and the National Hockey League among them.

I realized that it would be very powerful. Did I think the entire television landscape would change as it has today? No, I did not.

What really perplexed me was that Arthur C. Clarke had said that, by the year 2000, all telephone calls would be local. I wondered how that would happen and I guessed via satellite but I hadn't envisioned the Internet.

It was exciting to work in this industry because you were always challenged. But in the beginning, I knew sports would be popular.

Will traditional media remain relevant and how can it stay innovative?

There are many competitors today including Netflix, Hulu, YouTube, Amazon, and AOL TV. In addition, anybody can be a broadcaster in a sense on a narrow scope through broadband. So the challenge today becomes how you market, as there is no longer a barrier to entry.

The advantage of television and well-known cable networks is that they're known, and have their followers and market position.

There have been some interesting success stories, Netflix in particular. Some of their series have gained wide attention and changed patterns of viewing, so binge viewing – elevated to an art by Netflix – has become the norm.

In news and sports, however, I think we will have the live preference, and the habit of following brands will be powerful for a long time to come because it's the content that people want.

How did your support for women entrepreneurs evolve?

I never blinked when I was the only woman in the room. I perceived myself always as a leader among people and not just among women. This probably had a lot to do with why I was successful.

When I was running USA Network, I would always try to find ways to help other women come up the ladder. When we started Women in Cable, there were 12 of us who could actually get our companies to pay to send us to a convention.

I said it was important for us to get more women in the revenue-generating part of the business. There also weren't training programs so we established management training programs for women to learn about the other aspects of the business and give them confidence to pursue a job with line responsibility.

That organization has broadened its mandate but still runs some of the best management training programs in the industry, and I'm very proud of that.

When I left USA in the late '90s, I saw that there was \$104 billion in venture capital but only 1.7 percent was going to women. I knew there had to be more women in businesses with high-growth prospects.

I interviewed early-stage investors and they said they had never seen any women come to pitch them. I wanted to figure out how to find these women and get them in front of people who could fund them. This was the genesis of Springboard Enterprises, which is a nonprofit accelerator set up particularly for women entrepreneurs in the high-growth businesses of technology and life sciences. We pulled it together in Silicon Valley.

In our first call out for applications, we were hoping for 100 and wound up with 350. It demonstrated the pent-up need in an unserved market. We presented 26 businesses during the first venture forum in January 2000: 22 were funded, two merged their businesses, one sold her business, and one wasn't funded. We have never looked back. I wrote my book, *Bold Women, Big Ideas*, because I wanted women to know we're now inside and we're never leaving. More women are starting companies. There are legions of women in life sciences, which is a result of so many going to medical school. We're also getting more women in technology – software is still one of the biggest categories. We just launched fashion tech for the companies in that area, expanding our reach to a new industry.

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We're really growing the community and the most important thing is all the human capital – the people that come out to work with these companies on a volunteer basis through Springboard and other organizations. We're getting some volume in the marketplace that is starting to move the needle. About 9 percent of venture today goes to women entrepreneurs; in the earlier angel stage, it's about 22 percent.

When the numbers prove the value of a diverse workforce, why has that been slow to take hold?

We have not seen the progress at the board level yet. We got to 16 percent of the public board seats filled by women in the Fortune 500 and it has been like that for five years.

Now there is a focus on ways to move that needle because other countries have been more successful in this regard. We're down around 8th or 10th in the percentage of board seats held by women.

Other countries have had quotas, goals, and reporting structures that have been more effective. In the U.S, we are talking about it but not doing much.

We could have a national task force or public/private policy initiative and set a goal to say that at least 30 percent of the board seats should be held by women by 2020. Men also have to believe this is productive for companies.

We can also ask the New York Stock Exchange and the NASDAQ to have companies report their policies and what they're doing to put their policies in effect.

This has been very effective in Australia. They also have an organization called Male Champions of Change, which is a group of male CEOs of companies that are promoting diversity on their boards.

You have to get inside the club to make changes. We keep raising the age of people who can serve on boards, so fewer board seats turn over, and most corporations don't have term limits. But, in some countries, if you have served on a board for more than 10 years, you are no longer considered an independent board member so this affects your ability to be a full participant on committees.

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Will there come a day when you will be perceived as a leader and not a woman leader?

That would be my preference. Women are becoming so dominant with advanced degrees that I think we're going to need an organized effort to have boys be as successful as girls.

How is entrepreneurship learned?

Only a person who can absorb risk can be a good entrepreneur. How to lead and do financial reporting can be taught. But you need the risk appetite because it's hard and sometimes frightening how thin the margin is for success. If you can't absorb setback, entrepreneurship is not for you. You have to believe that you will succeed against great odds.

Is it even tougher to maintain that entrepreneurial spirit as companies grow larger?

It depends on how the culture was set up at the outset. It's tough to change it later on. The more layers of management a company has, the more bureaucratic it's going to become.

If you have an attitude in your company that risk is necessary for growth, then you can build it into your business plan.

What should young people be doing early in their careers to build successful and stable careers?

The nature of work is changing. When we report the number of jobs or how many people are self-employed, neither of those are accounting for a lot of people who are earning a living but not saying they're self-employed or an employee.

More algorithms in artificial intelligence are getting closer to human intelligence, so even knowledge jobs are being replaced by technology. We need to analyze where we're all going.

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Being a knowledge economy is not just affecting manufacturing or lesser skilled business; it's affecting white collar jobs and knowledge jobs. So the question is, where do we go in this changing environment?

Those fields that still require human interaction are areas like education and health care, and these will drive the economy.

There is a potential to return to small manufacturing with robotics and advances in 3D printing.

Do you ever look back or are you primarily focused on the future?

I'm very much a futurist. Every day, I get up with a ton of ideas. There is nothing but possibility. We have enormous resources at our fingertips in the U.S. I'm motivated by how we can make life better and improve people's ability to live a better quality life longer. I'm a positive person – I think most entrepreneurs are.

Competitiveness long-term will be driven by entrepreneurs and small businesses. Isn't this where we need to focus?

We're seeing more focus on it. There is a much broader spectrum of students in school who are interested in an entrepreneurial track regardless of industry. This is an indication that students are beginning to understand that it's a possible track for them. We must and will have a strong entrepreneurial economy for the future. ●