



THE PRICE CEO

AN OPERATOR'S GUIDE

Frank Bennack

Deals and acquisitions make the headlines. Unnoticed things—often things that seem small and unimportant—define a culture.

And in any organization, culture is everything. Here are some cultural dos and don'ts I learned by listening to mentors, watching others, swapping stories with CEOs, and, in the case of the Korean wigs—yes, Korean wigs—and Hearst Tower's architectural transparency, by unique personal experience. They're not carved in stone, but CEOs who embrace them tend, in my observation, to last longer and do better than those who re-invent the job.

1 | As CEO, you're a father/mother figure. That means you're both an authority figure and a caregiver. It's your job to mentor, to help your people grow. That starts with the people who have long served the company—you owe it to them to help them succeed in their jobs. Grant Tinker, whom I greatly admired, is said to have taken NBC from last place to first without firing anyone; maybe that's not correct in a strictly technical sense, but I've been told it was directionally true. When I became CEO of Hearst, I inherited a solid group of executives, all but one homegrown. When we did import talent, we looked for superstars. Among that illustrious group: Al Sikes, the first head of our New Media and Technologies Group, who had been chairman of the Federal Communications Commission in the George H. W. Bush administration, and Cathie Black, who came to us from the Newspaper Association of America after a stint as publisher of *USA Today*.

2 | Bring in new people? It's tempting. You're always hearing about the turbocharged CEO who is "driving change." An easy way to recognize that CEO: His/her new broom sweeps clean. While it's tempting to look outside for super-hires, I've come to believe that companies that rely entirely, or at least primarily, on looking elsewhere for talent face significant headwinds. The new hires have obvious issues related to the length of the learning curve. And their lack of knowledge about wins and losses in the past, or their disregard of that history, can frequently result in destructive change. Equally perilous: companies where the Holy Grail is promotion from within. Because they seldom or never violate that principle, they tend to be inappropriately satisfied with the status quo and often unaware of best practices being developed outside their four walls. Balance is the key word here. Of the twenty senior-most executives who worked with me, nine were internal promotions and eleven were recruited from the outside.

Unnoticed things—often things that seem small and unimportant—define a culture. And in any organization, culture is everything.

3 | I'm not big on headhunters. Part of my job was to know who's out there; if we were hiring from outside Hearst, I preferred to rely on my network of friends and contacts in our business and relevant business segments to tell me who were the truly good people they knew. And when I met potential hires, I rarely asked about work success. That was assumed. The one question I had for everyone: What else do you do? Work and family—of course they matter. But if work and family are your life, you won't be successful at Hearst. We need to know about your life outside these walls and your home. Involvement in the arts? A charitable activity or passion for a book club? Anything intellectually stimulating or rewarding?

4 | The optimal blend of inside and recruited talent is critical, but so is the follow-up: integration of the two classes of executives. One of the ways I worked on that was to find ways to bring executives and their spouses together whenever possible. We inaugurated an annual offsite at my Texas ranch, where our executives participated in a well-planned exercise of evaluating the status of the Company's businesses, strategy, and plans. Spouses join in the after-working-hours social calendar that includes tennis, golf, four-wheel off-road vehicle joyrides, fishing, and walking among one of the nation's most diverse exotic animal collections. The nights feature lectures from prominent governmental or literary figures such as James Baker, Robert Gates, Colin Powell, and Doris Kearns Goodwin. On the second night we're together Willie Nelson might just show up.

I have regularly tried to gather executives and spouses for nights at the Metropolitan Opera, Paley Center galas, Lincoln Center events, and various charitable fundraisers. And there is an annual garden party at my home for executives, spouses, and their children. Ironclad truth: Get buy-in from the spouses, and the company's culture will be

more likely to promote an environment of teamwork and success than any you ever imagined. We value our relationship with the spouses, who are a splendid and impressive group of women and men, what you would expect given the best-in-class talent that makes the Company go.

5 | Close your door as little as possible. A closed door is a signal: Something's going on that we don't want you to know about. And when you have personal news to deliver? Good news or bad, don't have that person come to you. If you're firing someone or making a significant change in his or her work life, it's best not to do it in your office—going to see that person allows you to end the meeting when you choose. But it's more a matter of respect. And not just for the individuals involved. When we hired David Carey as president of Hearst Magazines in 2010 to succeed Cathie Black and promoted Cathie to chairman, I went to the staffers who worked closest with Cathie and explained the move. A little thing? They understood. And remembered.

6 | When it comes to staff conflict, I'm an activist. I like the news—good and bad—early. I respect an organizational chart, but I didn't let titles and rank get in the way when I needed to talk to people at levels below my direct reports. Rigid corporate structures may look neat, but they're vastly overrated.

7 | My kids used to explain my job like this: "Daddy goes to meetings." With eight to ten direct reports, yes... *Daddy went to meetings*. As CEO, I presented at four regular and several special board meetings a year. We had conference calls when necessary. All that is traditional. What wasn't: Group Week. During each month other than the four months when our regular board meeting was scheduled, I inaugurated a weeklong series of

review meetings. I conducted separate sessions with each of our principal lines of business. Initially that meant one each day Monday through Thursday, with the group heads, their deputies, and often their operating unit executives from our Newspapers, Magazines, Broadcasting, and Books/Business Media divisions. As we grew we had to expand to more than one meeting some days to cover our newly organized business sectors, like cable networking. On Friday, I'd meet with all of them in a "joint" session of sorts where every senior executive would deliver a digest report and learn what his or her colleagues elsewhere in the Company were doing to grow and improve the Company. These sessions were amazingly useful: The preparation for them was an indispensable part of our future planning, and they ensured time-certain access to me for all our key players. My successor, Steve Swartz, has continued this tradition, and still welcomes me to the Friday sessions. If it is possible to have too much communication, I haven't yet determined when that is.

I respect an organizational chart, but I didn't let titles and rank get in the way when I needed to talk to people at levels below my direct reports. Rigid corporate structures may look neat, but they're vastly overrated.

8 | Lord, we were proud of our beautiful, environmentally advanced, award-winning building when we opened our new offices at Hearst Tower. The Tower was different from even the most innovative Manhattan offices—wherever you sat, you were flooded with natural light. The design was open space; there weren't as many private offices as before. Then a few women asked me, "Where do we go to cry?" and I understood that our people needed some private space. A learning experience: There is such a thing as too much transparency.

9 | Now we come to the lesson we all know—if it seems too good to be true, it generally is—but sometimes forget. This absurd episode occurred at the *San Antonio Light*, where I held regular meetings with different departments of the newspaper at 7:30 in the morning. A succession of such meetings with the advertising department management revealed that, sometime in the early 1970s, we began to publish a large volume of ads selling Korean hair wigs. I was surprised that enough wigs could be sold to justify the advertising. One particular firm seemed to be continually increasing its ad spend. I warned our ad managers that we were taking a risk of not getting paid. They showed me evidence that the initial ads had, in fact, been paid for in a timely basis. Still, I warned, "We're going to get stuck here. There's no way they can sell enough Korean wigs, and they are going to pay us up to a point and then we'll face a big write-off." My team assured me that wouldn't happen.

One morning a few weeks later I showed up for the meeting and every member of my ad management team—all men that time—was wearing a Korean hair wig. Their favorite purveyor of wigs had gone belly-up, and we had seized the warehouse (lawfully, I believe). All we had to show for expending tons of newsprint was thousands of Korean wigs. I don't recall if we ever got any recovery out of that, but somewhere I have a great picture of the ad management of the *San Antonio Light* in Korean wigs.

10 | “Me Time.” It’s easy to fall into the trap of thinking the CEO’s job is 24/7. It is, but that doesn’t mean an all-day, every-day grind. I discovered early what Bruce Springsteen discovered slowly: “Two of the best days of my life were the day I picked up the guitar and the day I learned to put it down.” I have to be honest here. Some of my closest associates are a great deal better than I am at “Me Time.” But I did learn to use the time away from the office to turn the engines off, recognizing that some of my best thinking came while I was watching sports on TV or pursuing other pleasurable pastimes. For example, I enjoy shooting clay pigeons. Among the useful elements of shooting clay pigeons is learning that you have to shoot where the bird will be when the shot gets there, not where the bird was when you pulled the trigger; that happens to be true of strategic planning in business. If you can hit them, it’s also instant gratification, something we mature adults seldom allow ourselves to experience. I do play golf, which I used to do every weekend but now, regrettably, happens about twenty times a year. When I can’t sleep, I review every shot in my last golf game. Counting the shots beats counting sheep for me.

It’s easy to fall into the trap of thinking the CEO’s job is 24/7. It is, but that doesn’t mean an all-day, every-day grind.

This, above all: When the weeks sail by, dotted with accomplishment, it's useful to appreciate them, but also to remember that they won't all be that way. And when the bottom seems to be dropping out, that, too, won't last. My wife quotes her aunt, who has five children, who always reminded her: "At any time, something is right with at least one." **As a CEO, it's your job not to be surprised by that, to be steady and disciplined, to find the right words and the wise response—to justify, in short, your seat at the head of the table.** 📖



Info



Ready to dig deeper into this idea?
Buy a copy of [Leave Something on the Table](#).

Want copies for your organization or for an event? We can help:
customerservice@porchlightbooks.com 800-236-7323

ABOUT THE AUTHOR

Frank Bennack is executive vice chairman and former CEO of Hearst, a leading global media, information and services company with more than 20,000 employees and 360-plus businesses. During Bennack's tenure as CEO, he directed the company through an unprecedented period of growth from when he began his first tenure as CEO in 1979 through June 2013 when he stepped down increasing revenues 14 times and growing earnings more than 30 times.

SHARE THIS

Pass along a copy of this manifesto to others.



SUBSCRIBE

Sign up for e-news to learn when our latest manifestos are available.



Porchlight

Curated and edited by the people of Porchlight, ChangeThis is a vehicle for big ideas to spread. Keep up with the latest book releases and ideas at porchlightbooks.com.

This document was created on October 16, 2019 and is based on the best information available at that time.

The copyright of this work belongs to the author, who is solely responsible for the content. This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License. To view a copy of this license, visit Creative Commons. Cover image from Adobe Stock.