

The Mr. Magazine™ – Interview Condé Nast's President & CEO, Bob Sauerberg

“I Think That Print Is Really Here To Stay; Consumers Just Love It. And I Think That They Love Our Magazines And They Love Other Companies' Magazines.”

“We're building a big experiences business. It's not just that everything is going digital, consumers also want to have real experiences. And we see that as a big business. My plan isn't just the plan to pivot to digital; it's a plan to build great brands and different forms of content in a variety of platforms. And that's what really makes our future so exciting and so dynamic.” **Bob Sauerberg...**

“What's been the most exciting thing to happen over this time is the consumer's willingness to pay for quality content in all forms, be it print, digital, etc. And that's a trend that's increasing and is an exciting thing for folks that want to create great content for consumers. It's going to allow us to think about all kinds of different ways that we can sell direct, so that's an exciting shift over that time period.”
Bob Sauerberg...



Condé Nast's President & CEO, Bob Sauerberg

In January 2016, Condé Nast, one of the world's most highly regarded and watched magazine media companies, with revered titles such as The New Yorker, Vogue, GQ, Vanity Fair, Wired, W, and Glamour, elevated Bob Sauerberg to the position of President and CEO, and the company has been moving forward with forceful and news-generating changes ever since. In less than two years under his CEO tenure, Condé Nast has seen more changes than the entire decade before. Following a strategy that is permeating the industry with premium content across all platforms, Condé Nast also has seen its digital revenues increase; has created different brand collections at the company, such as the Women's Collection under the leadership of Alison Moore, and the Culture Collection under the leadership of Chris Mitchell; and has launched a digital-only platform, Them, that has seen phenomenal success, all without putting its traditional print content on the backburner. In short, Condé Nast is gearing up for a very exciting future and Bob Sauerberg is steady and strong at the helm.

I spoke with Bob recently and we talked about the changes and shifts throughout Condé Nast's hallowed halls. From the departure of Graydon Carter as Vanity Fair's editor in chief, to Radhika Jones being named as his successor, Bob expressed

confidence and excitement about the company's future. His supreme belief in the talented people who create Condé Nast's high quality products is palpable, and his vision is on mark and focused when it comes to what he sees for the company's future: sealing its position as a premium media company, diverse and varied, but with one sacred cow; the company's valued position as a high-quality content-maker with 100 + years of expertise.

So, without further ado, I hope that you enjoy the Mr. Magazine™ interview with Bob Sauerberg, president & CEO, Condé Nast.

But first the sound-bites:

On his upcoming second anniversary as CEO of Condé Nast and how he would evaluate those first two years: My first two years have been very focused on putting the people, the employees, in place to do that. It's not just words, there has to be a lot of action; reprioritizing which platforms we're going to be publishing our content on over time, and really getting us properly set up so that we can scale those new growth initiatives.

On what percent of the strategic goals he set forth for Condé Nast he feels he's at right now: We're probably about 75 percent there. I think the foundation is all set, but it's been disruptive. Going through massive change like this is incredibly disruptive. It's very easy to put it down on paper and set up the vision, but it's really harder to get people to understand it and execute it.

On the biggest challenge he's had to face since putting those strategic goals in place: I'm going to say that the biggest challenges are culture. Every industry that's going through massive transformation, by definition, if you've been a traditional business that's been around for 100+ years like we have; we've created real expertise in content making,

particularly in magazines. And as you go through these transformations, you're doing different things, so getting the organization to change at a pace that's at or greater than the marketplace is really difficult.

On whether anything has surprised him during the almost 18 years total that he's been at Condé Nast: I'll tell you what surprises me now, and I've been saying this forever, but the rate of change; I've been telling people that it's going to keep changing faster than it has in the past, but it's really mind-blowing to see how the marketplace is changing, particularly the advertising marketplace. It's astonishing to see how there is always constant shift and change. So, that's one change that's been frustrating and perhaps difficult.

On whether he thinks he'll see the day at Condé Nast where revenue is coming from both print and digital: Yes, I do. Our strategy for the next three years; the digital aspects of our business will be at least 50 percent. And I'm hoping within that composition that a big piece of that is coming from the consumer and not just from the advertiser.

On what the reader can expect from a Bob Sauerberg tenure with all of the changes that are taking place at Condé Nast: The latest announcement is the replacement of Graydon Carter, and that's with Radhika Jones, who is an absolutely fabulous editor, and one with really endless potential. She's brilliant; she's innovative; she's experienced on all platforms; and she has relationships with people everywhere, and she's a very cool person. So, that's the latest. And you've seen over the last couple of years a lot of changes; senior management here, and yes, these are my people and I'm really proud of them.

On whether there are any of the Condé Nast brands that would be considered sacred cows: What's sacred here is quality content. That's our expertise and it has been for 100 years. We may monetize that content differently over time; we may

prioritize different brands at different points in time, because the marketplace changes. Those are all shifts that will happen naturally, but the DNA of our company, the expertise of it, is our quality content and that's sacred.

On whether he can envision a day there isn't a printed Vogue or Vanity Fair: I actually really don't. I think that print is really here to stay; consumers just love it. And I think that they love our magazines and they love other companies' magazines. All you have to do is hop on an airplane, or you're sitting at a resort or something, by a pool, and everyone is reading a magazine.

On the thinking process behind folding a magazine such as Teen Vogue, and launching a digital-only entity such as Them: The print advertising business for the teen categories has just been struggling for some period of time. So, we just determined that when we looked out over the three-year plan, that we were fighting that platform; the cost versus the return; we were just finding a marketplace that was not going to return an outcome that we really liked. And most of our revenue was coming from our digital business; it had already transitioned to a digital brand. And we're just getting started with Them. How many platforms we're publishing; how things play out; that will change over time, but it could very well be a great magazine opportunity. But we're just out of the gate and it's wildly successful so far.

On whether he ever dreamed when he was a student at the University of Arkansas that he would one day become the leader of one the major publishing companies in the world: No, I really didn't. I'll tell you something; I've never interviewed for a job. I haven't, I just sort of always tried to redefine every job I was in, and evidently people liked what they saw. I've always thought about the future and developing whatever I was doing. I'm obviously motivated, but I never really had a specific outcome that I had planned for my career. These things just sort of played out through just trying to do good

work.

On being quoted as saying that he does not motivate people, he hires motivated people: I think that's true. I would also say that my leadership approach is very much focused on mentoring and developing great people, so I'm not trying to put myself on the pedestal; I'm trying to keep the company on the pedestal. And then having all of the boats that we have rowing toward the vision that we all believe in. And I think motivated people like that.

On whether there are any surprises in store between now and the end of the year: It's been reported that we're gearing up to announce a Glamour editor, and I think that will probably be the last bit of noise that you'll hear from us until 2018.

On what he would have tattooed upon his brain that would be there forever and no one could ever forget about him: Bold.

On what someone would find him doing if they showed up unexpectedly one evening at his home: I'm a SoulCycler. I'm the oldest guy SoulCycling in the back row. (Laughs) But I'm exercising hard. I'm not sure you have that in Mississippi, but it's a cycling class that is an incredible workout for 45 minutes. It's a real fun thing to do.

On what keeps him up at night: It really goes back to molding the culture, because I think that we're working on the right things; we know what we need to do, and getting individuals there and really working on the right things, getting that culture right is really the thing that keeps me up.

And now the lightly edited transcript of the Mr. Magazine™ interview with Bob Sauerberg, president and CEO, Condé Nast.

Samir Husni: In January 2018, you'll complete your second year as CEO of Condé Nast, and probably in that last two years there have been more changes at Condé Nast than in the previous decade. How would you evaluate those first two years?

Bob Sauerberg: I would say that our transformation plan is very focused on maintaining our leadership position of putting out the best magazines in the world. And trying to turn the magazine business into a better business by using that foundation to develop a very significant digital, video, branded content, and data business. And these experiences could really fuel our growth long-term, because the magazine business is obviously not a growing business.

My first two years have been very focused on putting the people, the employees, in place to do that. It's not just words, there has to be a lot of action; reprioritizing which platforms we're going to be publishing our content on over time, and really getting us properly set up so that we can scale those new growth initiatives. And everything we've done over the last two years has been really in concert with that plan.

Samir Husni: And if you were going to give yourself a grade, and I know it's very tough to be your own professor and student at the same time, but do you feel that you've accomplished 90, 95, or 100 percent of that new strategic goal you put forth for Condé Nast?

Bob Sauerberg: We're probably about 75 percent there. I think the foundation is all set, but it's been disruptive. Going through massive change like this is incredibly disruptive. It's very easy to put it down on paper and set up the vision, but it's really harder to get people to understand it and execute it.

This year we reorganized our sales organization from 22 different siloed brands – 22 different sales organizations into one, which was a massive undertaking. Recently, we had our first national sales and marketing leadership meeting that the company has ever had, and it was the most satisfying day of my career at Condé Nast. We came together and it was incredibly clear the things that we could do differently to

provide scaled programs for the marketplace, as well as amazing, individually branded things. So, I would say that when you go through transformation, the scorecard continually changes. And I'm feeling really good about the foundation we've put in place.

Samir Husni: What has been the biggest challenge that you've had to face since you began these changes?

Bob Sauerberg: I'm going to say that the biggest challenges are culture. Every industry that's going through massive transformation, by definition, if you've been a traditional business that's been around for 100+ years like we have; we've created real expertise in content making, particularly in magazines.

And as you go through these transformations, you're doing different things, so getting the organization to change at a pace that's at or greater than the marketplace is really difficult. You've got digital organization that's coming in, that can do things quicker, and they have to work with the traditional content-makers who are so important to us. So, getting them to really find a way to work together, not frustrate each other, but really work together is the biggest challenge. When it happens and it works, it's the greatest thing you've ever seen, when you've got talented people coming together toward a really great outcome.

Samir Husni: You've been at Condé Nast since 2000, so you've been there since the beginning of the 21st century, has anything surprised you in those 18 years?

Bob Sauerberg: I'll tell you what surprises me now, and I've been saying this forever, but the rate of change; I've been telling people that it's going to keep changing faster than it has in the past, but it's really mind-blowing to see how the marketplace is changing, particularly the advertising marketplace. It's astonishing to see how there is always

constant shift and change. So, that's one change that's been frustrating and perhaps difficult.

What's been the most exciting thing to happen over this time is the consumer's willingness to pay for quality content in all forms, be it print, digital, etc. And that's a trend that's increasing and is an exciting thing for folks that want to create great content for consumers. It's going to allow us to think about all kinds of different ways that we can sell direct, so that's an exciting shift over that time period.

Samir Husni: I spoke with Chris Mitchell recently and he was telling me that The New Yorker is now almost at a 50-50 revenue break between print and digital. Do you think you'll see the day at Condé Nast where almost all of the content is generating revenue both from print and digital?

Bob Sauerberg: Yes, I do. Our strategy for the next three years; the digital aspects of our business will be at least 50 percent. And I'm hoping within that composition that a big piece of that is coming from the consumer and not just from the advertiser.

The New Yorker very quietly has had one of the most successful consumer paywalls in existence. It's a huge business and growing fast. And that's a very prideful thing for a company, because we've got hundreds of thousands of people paying us for content in a variety of formats, in both digital and print. We're feeling really good about that, and separately, we're building a big experiences business. It's not just that everything is going digital, consumers also want to have real experiences. And we see that as a big business.

My plan isn't just the plan to pivot to digital; it's a plan to build great brands and different forms of content in a variety of platforms. And that's what really makes our future so exciting and so dynamic.

Samir Husni: With all of the changes that are taking place,

and the fact that you're also the first CEO without S.I. Newhouse in the house; will we be seeing more of Bob Sauerberg's fingerprints upon the magazine? From the choices of new editors to the choices for new chief business officers; what can we, the readers, expect from a Bob Sauerberg tenure at Condé Nast?

Bob Sauerberg: The latest announcement is the replacement of Graydon Carter, and that's with Radhika Jones, who is an absolutely fabulous editor, and one with really endless potential. She's brilliant; she's innovative; she's experienced on all platforms; and she has relationships with people everywhere, and she's a very cool person. So, that's the latest.

And you've seen over the last couple of years a lot of changes; senior management here, and yes, these are my people and I'm really proud of them. They're coming to the table with a couple of simple common traits, and one is that they want to do something really special and they want to do something that really creates a level of influence over the world that doesn't exist elsewhere.

They come with skills that are expansive and not set on just one platform. And they not only want to do it, they know how to do it, whether it's a chief business officer or an editor, or quite frankly, our digital team, who are really quite fabulous here. And our video team. The entertainment group we have here is second to none.

We started Condé Nast Entertainment five years ago. We had no video views; we were not doing video at all. And this year we'll have 11 billion views of short-form video; five or six TV shows in production; a movie that's out in the theaters now, with more to come; and this didn't exist five years ago. It was an idea that I basically had on my whiteboard and we hired Dawn Ostroff and we made that happen.

What I'm proud about is that we have seen the trends; we know what they are and we're trying to really balance out where we put our time, attention and investment, between the things that got us here, these great magazines that we produce, and these great brands that were created under S.I.'s leadership. So now, we're finding ways to spin them into other platforms and to build other businesses around them and change the business model. All these things take time and determination, but it's really happening and it's not like a business plan; it's real action and real revenue and real profit.

Samir Husni: As you move forward, are there any sacred cows with any of the brands, be it print or digital, or you're going to do whatever it takes to stick to that strategy?

Bob Sauerberg: What's sacred here is quality content. That's our expertise and it has been for 100 years. We may monetize that content differently over time; we may prioritize different brands at different points in time, because the marketplace changes. Those are all shifts that will happen naturally, but the DNA of our company, the expertise of it, is our quality content and that's sacred.

Now, will we figure out how to create that content with different cross-structures or different approaches, of course, everyone will do that, but I want our content to lead our company and I want it to be influential, different, and market-making. To me that's our sacred cow.

Samir Husni: Do you envision a day when we won't have a printed Vogue, Vanity Fair, or GQ?

Bob Sauerberg: I actually really don't. I think that print is really here to stay; consumers just love it. And I think that they love our magazines and they love other companies' magazines. All you have to do is hop on an airplane, or you're sitting at a resort or something, by a pool, and everyone is reading a magazine.

The issue right now is the advertising marketplace is a bit fickle with it, because they're shifting gears in terms of how they're spending their monies. What that's really going to make us do is to think about how to monetize the magazines differently, get the consumers to pay more, find different ways to leverage those brands. And we will do that. But it's a cultural moment when Vanity Fair's cover hits the newsstands. And that's an important part of our business. Just like it is with Vogue and with GQ.

Samir Husni: We've never seen anything digital create the same buzz as the covers of Vanity Fair have or the cover of GQ this month. When you fold a print magazine, such as when you folded the print edition of Teen Vogue, how is that different from say, Vogue? Or when you launched Them as a digital-only entity; what's the thinking behind those types of decisions in the hierarchy at Condé Nast?

Bob Sauerberg: The print advertising business for the teen categories has just been struggling for some period of time. So, we just determined that when we looked out over the three-year plan, that we were fighting that platform; the cost versus the return; we were just finding a marketplace that was not going to return an outcome that we really liked. And most of our revenue was coming from our digital business; it had already transitioned to a digital brand. I wasn't excited that we were going through that, but it was a good business decision.

And we're just getting started with Them. How many platforms we're publishing; how things play out; that will change over time, but it could very well be a great magazine opportunity. But we're just out of the gate and it's wildly successful so far. I think we had our first video that in its first day had 1.5 million views. It's crazy. Our instinct was if we did this right we were going to catch a cultural wave and I think we have. One that makes that level of innovation very exciting.

Samir Husni: From a personal point of view, since your days in Arkansas, when you were a student at the University of Arkansas at Fayetteville, did you ever expect that one day you'd be the leader of one of the major magazine companies in the world?

Bob Sauerberg: No, I really didn't. I'll tell you something; I've never interviewed for a job. I haven't, I just sort of always tried to redefine every job I was in, and evidently people liked what they saw. I've always thought about the future and developing whatever I was doing. I'm obviously motivated, but I never really had a specific outcome that I had planned for my career. These things just sort of played out through just trying to do good work.

So, I can't say that it was calculated or anything; I just spent time doing whatever I was doing and tried to do it as well as anyone could. And then you show up, and here's where you end up.

Samir Husni: One of your famous quotes is "You do not motivate people, you hire motivated people."

Bob Sauerberg: I think that's true. I would also say that my leadership approach is very much focused on mentoring and developing great people, so I'm not trying to put myself on the pedestal; I'm trying to keep the company on the pedestal. And then having all of the boats that we have rowing toward the vision that we all believe in. And I think motivated people like that.

They like having a big runway where they can develop their skills, and I think that's why I'm here at Condé Nast, because we have such talented people and I'm not trying to get in the way of their development or growth; I'm just trying to channel it toward the outcomes that we need to grow the company.

Samir Husni: Are there any surprises in store between now and the end of the year?

Bob Sauerberg: It's been reported that we're gearing up to announce a Glamour editor, and I think that will probably be the last bit of noise that you'll hear from us until 2018.

Samir Husni: If you could have one thing tattooed upon your brain that no one would ever forget about you, what would it be?

Bob Sauerberg: Bold.

Samir Husni: If I showed up unexpectedly at your home one evening after work, what would I find you doing? Having a glass of wine; reading a magazine; cooking; watching TV; or something else?

Bob Sauerberg: I'm a SoulCycler. I'm the oldest guy SoulCycling in the back row. (Laughs) But I'm exercising hard. I'm not sure you have that in Mississippi, but it's a cycling class that is an incredible workout for 45 minutes. It's a real fun thing to do.

Samir Husni: My typical last question; what keeps you up at night?

Bob Sauerberg: It really goes back to molding the culture, because I think that we're working on the right things; we know what we need to do, and getting individuals there and really working on the right things, getting that culture right is really the thing that keeps me up.

Samir Husni: Thank you.