

**ANDY LACK IS HELPING TO BUILD THE
WORLD'S MOST INFLUENTIAL NEWS COMPANY.
CONSTANTLY.**

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NEWS

WITHOUT END

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**BY
ART
JAHNKE**

WEB EXTRA
Andy Lack
talks about
Bloomberg
News at
[bu.edu/
bostonia](http://bu.edu/bostonia).

Photo-
graphs
by
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Paul

It's a rainy spring morning in midtown Manhattan, and on the sixth floor of the futuristic glass skyscraper known as Bloomberg Tower, Andy Lack is listening, energetically, as a half-dozen producers run through a short list of potential guests for *Bloomberg West*, a daily hourlong TV show whose next topic will be Google's controversial purchase of ITA Software. Lack's head is bobbing in what could be a favorable opinion as the discussion bounces





Andy Lack, outside Bloomberg Tower, where reporters' long days are lightened with free food and above-industry-average paychecks.

easily among people in the room and those who are videoconferenced in from Bloomberg's San Francisco studio. The CEO of the recently formed Bloomberg Media Group twists his bushy eyebrows upward, he leans forward and covers his chin with his long finger—he's Rodin's *The Thinker* with attention deficit disorder. Then the expressive head is bobbing again, and Lack is somehow making eye contact with every pair of eyes in the room, using every ounce of his panoramic presence to keep the ideas coming.

Keeping ideas coming is something that Lack has been famous for since most of these producers were watching *Sesame Street*. It's also something that is a required job skill at Bloomberg. Because within Bloomberg, the global, 24/7, TV, radio, web, and every media now-and-yet-to-be-invented eternal volcano of information, there can never be enough ideas, never enough news.

Lack (CFA'68) wonders aloud if continuing scrutiny by antitrust regulators will take a toll on Google honchos Larry Page and Eric Schmidt. That might be something to talk about. He thinks someone should be sure to talk about the overwhelming market share of internet searches that Google commands.

Suddenly, a black plastic blind descends, covering the window that overlooks East 58th Street and darkening the conference room. Ignored by them all, the light-activated environmental control is one of many Land of Oz-like features of life at Bloomberg, where infamously long workdays are leavened by free food and beverages, not to mention above-industry-average paychecks. There are also name tags for all, no matter how high-ranking, and a required fealty to "The Bloomberg Way," a 361-page rulebook for journalistic accuracy, fairness, and style. Leads should be four paragraphs long; proper credit must be given to competitors.

"I think Google has 85 percent of the market," says one producer.

"No," says another, "85 is the percentage of revenues that Google makes from search."

"Oh," says a third. "So it's like the terminals."

Everyone gets the joke. Terminals, the computer system that provides Wall Street traders with financial information and software tools, are the golden goose of Bloomberg LP, bringing in 85 percent of its revenues, reported to be more than \$6 billion a year. A single terminal leases for \$20,000 a year, and Bloomberg leases

about 300,000 of them. Terminals have made Michael Bloomberg, who also happens to be mayor of New York City, the 10th richest person in the country, according to *Forbes*, with a net worth of \$18 billion. More to the point, terminals are the reason that Bloomberg is the only big media company growing like Topsy while others wither. A year and a half ago, Bloomberg snapped up foundering *BusinessWeek* magazine, now known as *Bloomberg Businessweek*, for \$5 million, and the company has a well-deserved reputation among journalists as the lifeboat they've all been searching for.

"Bloomberg has more reporters than the *Wall Street Journal* and the *New York Times* combined," says Lack, who arrived at Bloomberg two and half years ago. "And we have more bureaus around the world than all the television networks combined. Matt Winkler, editor in chief of Bloomberg News, is the one who deserves enormous respect for building all that over 20 years."

Despite such firepower, says Lack, a Boston University trustee, the challenge presented by his latest job is daunting: Bloomberg wants to be the most influential news organization in the world, and as the person responsible for an unsettlingly large portfolio that

includes television, web, radio, and mobile and digital properties, he is the chief influencer of that media. It's Lack's job to use an extraordinary collection of news from 2,300 reporters in 146 cities. It's Lack's job to figure out how to slice, dice, and blend it. And it's Lack's job to send it back out to more than 200 million homes that watch Bloomberg TV, plus millions of radio listeners and an estimated 16 million online readers. It's Lack's job to optimize its presentation for television, computer screens, smartphones, and iPads, and it's Lack's job to do that all day, every day, seven days a week.

"It's sensory overload," says Lack. "When you walk into this building, it's not like anything you've seen before. The game here is 'you must see it, share

"It's sensory overload. It's not like anything you've seen before."

**TAKING
MULTIMEDIA
TO THE
MAX**

The challenge: figuring out how to optimize delivery to TV, computer screens, iPads, and radio.



TELEVISION Lack has recruited young talent from Google, Yahoo!, ESPN, and CNN, and he has created a new generation of television graphics.



WEB Lack is building websites in Japanese, German, and Portuguese, all pushed to mobile devices as well as computers.



RADIO Millions of people listen to Bloomberg radio shows such as *Charlie Rose*, *Bloomberg Businessweek Radio*, and *Bloomberg West*.



IPAD Tablets are one of at least four types of screens that Bloomberg is designing for, trying to get as much content on as many screens as possible.

BIG NUMBERS | 2,300 reporters in 146 cities | 200 million homes watch Bloomberg TV | 16 million online readers

it, read it, visualize it, experience it, and it never stops. There is an endless stream of information.”

THE BAD OLD GOOD OLD DAYS

In November 1992, the NBC weekly news magazine *Dateline* aired a 15-minute story on the dangers of certain General Motors trucks whose gas tanks were alleged to ignite after a sideways collision. The segment included stunning video, replete with smoke, flames, and moral outrage, all calculated to rivet the attention of *Dateline* viewers, which it did. But it also riveted the attention of GM investigators, who were tipped off that the frightening explosions had been ignited not by a collision, but by rockets carefully set in place by the *Dateline* crew. Busted and disgraced, NBC issued an on-air apology, fired three staffers, and accepted the resignation of NBC News president Michael Gartner. Then it looked around for a replacement.

Jack Welch, CEO of NBC parent company General Electric, thought it

might be worth talking to Lack, then a 10-time Emmy Award-winning CBS producer known for creating the newsmagazine *West 57th*. Welch, regarded as one of the toughest and best business leaders in the world, would later describe Lack as “the best job candidate I ever met.” They’ve remained close friends for 18 years.

“I’m usually offered jobs where there is something big and broken,” says Lack. “There is a group of people and that’s their line of work. I was always in the group chosen for things that needed to be rewired, or started from scratch.”

Neal Shapiro, who replaced the quickly departed executive producer of *Dateline*, recalls Lack’s arrival. “NBC was completely adrift,” says Shapiro, now president of WNET. “Andy is a big personality. You get the sense that you can do anything if you aim high. He came in and gave everyone the sense that he was going to be bold, set high goals, and it was a new day and we were going to pick ourselves up. He immediately righted the ship.”

Guided by that big personality, NBC News rose to the number-one position in the ratings, while Lack rose to NBC’s number-two position, where he reportedly butted heads with network chief Bob Wright. Then he got a call from old friend Howard Stringer, who was running another company in deep trouble.

Sony Music Entertainment, like all big music studios in 2003, had been run over by a truck called the internet. Lack, hired as chairman and CEO, cut 2,000 of 8,000 jobs, then guided the division to the safety of a billion-dollar merger with BMG, a deal that built the world’s second largest music company. As soon as the ink was dry, a revolt by BMG bigwigs swept Lack from power.

“That was tough,” he says. “But you only learn from the hard stuff. You don’t learn anything from victory laps.”

Lack’s famous optimism may have been born at the Browning School, a day school he attended just a few city blocks from where the Bloomberg Tower stands. His first professional infatuation was theater, spawned

one night in 1957 when his mother took him to see *West Side Story*. He graduated from the College of Fine Arts in 1968 with sufficient talent to earn a minor role in the Broadway production of *Inquest*, the story of Julius and Ethel Rosenberg. Lack was making TV commercials for products like Pampers and Avis rental cars when he was introduced to Stringer in 1976. Then a producer at the legendary *CBS Reports*, Stringer in turn put him in touch with *60 Minutes* creator Don Hewitt. Hewitt gave Lack a shot on a short-lived personality-driven effort called *Who's Who*, and then moved him quickly to *60 Minutes*. Lack later became executive producer of *CBS Reports* for seven years and executive producer of the groundbreaking *West 57th* for four years, but it wasn't until Welch brought him to NBC that he entered the industry limelight.

"Andy had a real vision for NBC News," says Jeff Zucker, a 21-year veteran of NBC who rose to president and CEO of NBC Universal. "He knew what he wanted, and he executed against that vision. He created an atmosphere of teamwork that allowed all the programs to work together. NBC News became a very coherent place under Andy. Andy's incredibly smart, well-versed in many issues and topics. He's a real Renaissance man. He's also bigger than life. He's a total showman, and he was fun just to be around."

Dateline executive producer Shapiro remembers Lack as a manager who knows when to guide and when to stand back. "He would give me bold new ideas of where he wanted to go and the type of stories he wanted to do," Shapiro says. "They were smart suggestions and good insights, but he was not going to be constantly looking over people's shoulders. He realized that with good people that was not going to be successful."

EVERY-SCREEN STRATEGY

Nearly two decades later, Lack's suggestions and insights are as abundant as his optimism. In a videoconference with Bloomberg producers from London, he watches an interview with

retailing billionaire Philip Green, shot for his recently launched *Eye to Eye*, a half-hour conversation with self-made billionaires and entrepreneurs.

"A lot of the b-roll was repetitious," Lack tells his overseas producers. "He was saying the same old, same old. We should make sure it's fresh. And you should be asking him questions like, what's the worst deal, what's the best deal you've ever made."

Lack has made several additions that have changed the face of Bloomberg TV. He has added *Charlie Rose* around the world and launched *Bloomberg West* and *Bloomberg Game Changers*, a series of profiles of movers and shakers, including Apple's Steve Jobs, hip-hop king Jay-Z, and Facebook founder Mark Zuckerberg. He hired a young team, mostly in their 30s, recruited from Google, Yahoo!, ESPN, and CNN to drive Bloomberg forward in multimedia. He also created a new generation of TV graphics and moved his anchors to a central spot in the Bloomberg newsroom.

"The essential values and principles that inform the craft of journalism are harder and harder to protect," Lack says. "The world is more competitive.

The digital age places new challenges on old media and the network news organizations that I grew up in. There used to be news organizations that made a few programs a day, and they were predictable. One was at 6:30 in the evening, one at 7 o'clock in the morning, and one famous one on CBS on Sunday evenings. Today we have not only a 24-hour news business, but a global 24-hour news business that is broken down into minutes, not days and hours. Today I don't think people even talk about traditional television anymore. It's about video circulating around the planet in many different media and formats. It goes online and it goes to your iPad or smartphone. At Bloomberg, it's everywhere."

In 30 minutes, Lack's discussion with his European colleagues bounces

from a \$2 million deal in Russia to a proposal from a sheik in Dubai to start an Arabic language channel to a distribution deal in Hong Kong to a touch screen rollout in Asia to public relations problems in Germany. "We've got to get Germany figured out," he says. "I don't have a clue how to do it from here. We have to get someone on the ground."

Lack's next meeting, which convenes seconds after the London teleconference ends, takes him from global programming to technological iterations. There is an update on a new website devoted to mergers and acquisitions, a proposal to put Bloomberg video on 1,500 video screens atop gas pumps in the Tri-State area ("The only thing we can't report on is petroleum"), a report on a new Bloomberg iPad app that has been submitted to Apple for approval ("They want to feature it in their stores"), and news that Bloomberg websites have seen record traffic lately, even without the numbers from *Bloomberg*

Businessweek, which Nielsen ratings still attribute to the magazine's former owner, McGraw-Hill. "What?" says Lack. "They still give them to McGraw-Hill? That's crazy."

The meeting is a 30-minute illustration of what has changed in media: it's not just about programming any-

more. It's about presentation, many kinds of presentation. Lack calls it Bloomberg's three-screen strategy, a commitment to get as much content as possible on every device with a screen display, no matter how small or large. "There is the HD screen," he says. "And that now offers the opportunity to include lots of visual information and data that we have not been able to show viewers until now. There is the PC screen, and there is the screen clipped to your belt or in your pocket. There is also the tablet, so our three-screen strategy is really a four-screen strategy now. Call it an every-screen strategy. We are working with multiple platforms and trying to make sure that we are smart across all of them."

"I don't think people even talk about traditional television anymore."

Lack promises Bloomberg websites in Japanese, Spanish, German, and Portuguese, all pushed out to new mobile devices that have yet to be imagined. “With mobile, we’re just at the beginning,” he says. “Nobody’s got much of a business model there yet, but I think mobile will be one of the game changers at Bloomberg.”

Eventually, Lack admits, some kind of game changer will be required to lift the bottom line: word has come down that Bloomberg Media must operate as a sustainable business.

“Up to now it’s been the marketing arm of the Bloomberg terminal,” he says. “But all of the businesses need to be stand-alone businesses that make sense for Bloomberg, and going back a few years they had difficulty rationalizing some of their activities. We’ve been working on that, and we are moving swiftly to be a real and sustainable business within the next few years.”

If the next few years are anything like the last few years, those businesses will have a tough row to hoe. According to the 2010 State of the News Media report by the nonprofit public opinion research group Pew Research Center, newspapers, including online papers, saw advertising revenues tumble 43 percent in the previous three years. Network television ad revenues fell 8 percent (news alone probably fell more), local television ad revenues plummeted 22 percent, radio dipped 22 percent, and magazine ad revenues were down 17 percent. A more recent study, released by Pew in March 2011, reports that for the first time in at least a dozen years, the audience at all three cable news networks shrunk. Prime-time viewership fell 16 percent and daytime viewership 12 percent.



“Lord knows, there are plenty of critics out there who correctly wag their fingers at the quality of cable news,” says Andy Lack.

And network news viewership continued its downward trend.

One glimmer of hope: the Publishers Information Bureau reported in April that *Bloomberg Businessweek* ad pages leaped 49 percent in the first three months of this year.

Lack, unsurprisingly, is full of hope. “There are plenty of examples of 24-hour news businesses that are doing well, both on a financial basis and on a journalistic basis,” he says. “Although, lord knows, there are plenty of critics out there who correctly wag their fingers at the quality of cable news.”

Chris Daly, a College of Communication associate professor of journalism and the author of a book on the history of journalism, says Bloomberg’s aspirations will not be easily realized. “They have a very ambitious goal,” he says. “But as everyone who has tried has discovered, it is very expensive

to do something like that—even in an era of falling costs of communication. The

expensive part is building and retaining a worldwide staff of intelligent, trained writers, photographers, and editors.”

Lack knows it won’t be easy. Working at Bloomberg is famously not easy. Ask him directly, and he will say that this is the hardest job he’s ever had, and he’s had some hard ones. But he’ll add, quickly, that this is also the most inspiring.

“We spend a fair amount of our time talking about what’s ahead of us,” he says. “We try to figure out how much information we can give you in the most exciting ways that make the most sense. We hope that we are breaking new ground. There has never been a better time to be a journalist, particularly if you happen to be at Bloomberg.” ■