



MEDIA Business

THE MAGAZINE FOR BUSINESS PUBLISHING EXECUTIVES

STATE OF THE B-TO-B MEDIA

Will advertising
ever bounce back?

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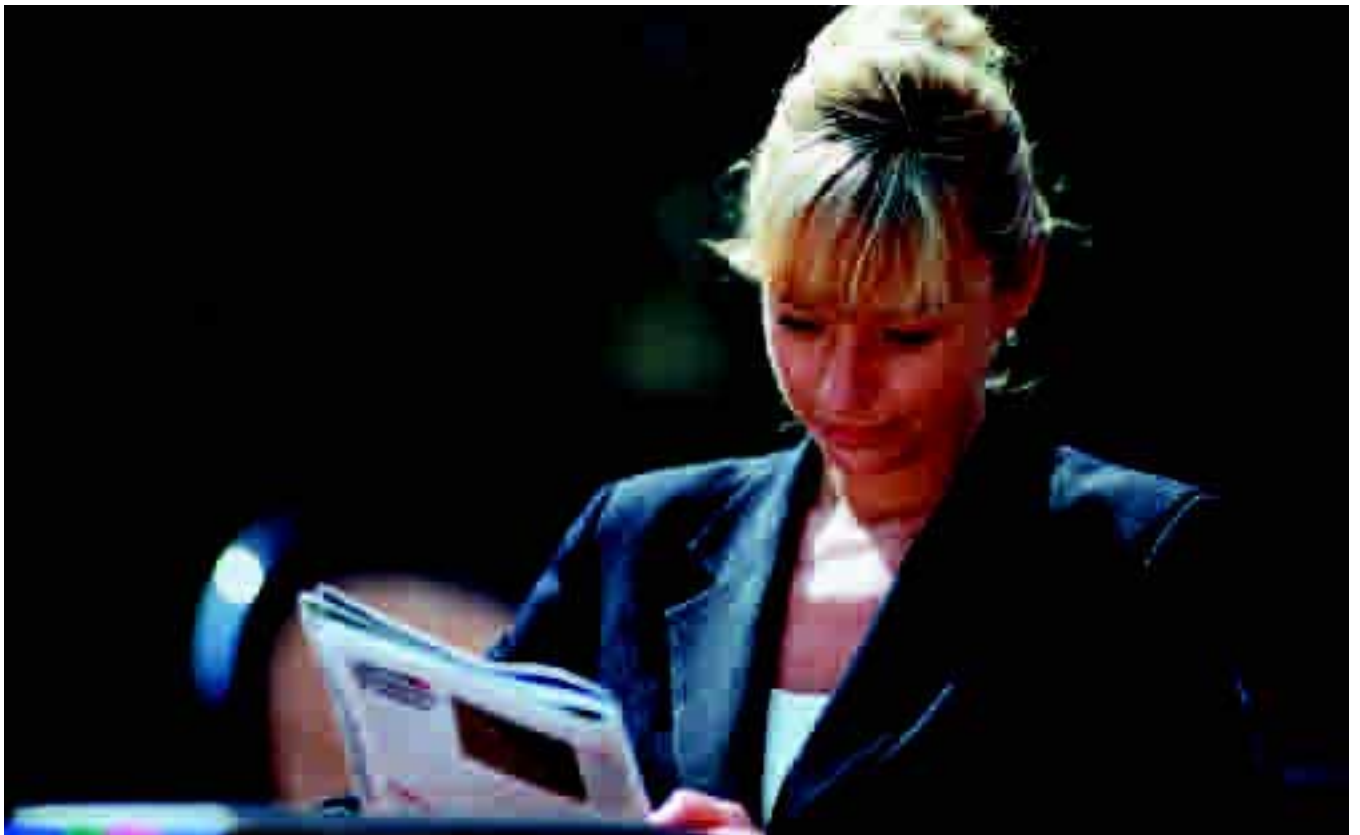
A supplement to BtoB



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IDG chairman
and one of our
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New Thomas unit to offer keyword-based ad buying

BY RICHARD KARPINSKI

As the publisher of some of the world's best-known industrial product directories, Thomas Global Register is synonymous with b-to-b industrial marketing. Later this year, it hopes to tap into the power of paid search advertising to drive its Web strategy forward.

In March, Thomas Global inked a joint venture deal to use technology from pay-per-click vendor FindWhat.com to create ThomasB2B.com. The new unit will sell auction-based, keyword-driven text ads on several ThomasGlobal.com Web properties, as well as potentially hundreds of

across many, many business sites."

Online b-to-b advertising spending is slated to grow to \$1.3 billion by 2007, according to market research company GartnerG2. As it has in the consumer world, experts expect search advertising to help drive much of that growth. Google, Yahoo! and other large search engines are a booming business in b-to-b search ads, and specialty b-to-b search engines such as Business.com have emerged. In February, Thomas Global competitor Kelly's Directories launched a U.S. version of its b-to-b industrial search engine, KellySearch.com.

Thomas Global is working with two third-party publishers so far—Industrialnewsroom.com and Firstindustrialdirectory.com—but is actively courting additional publishers. The most likely targets, Savage said, are publishers that already have their own product listings. It will also provide publishers with private-label versions of its product listings, he said.

"What we like about pay per click is that it is a very efficient market. The market will set the price," Savage said. Advertisers buy categories on an auction basis; pay-per-click prices start at 25 cents and are priced up from there by market demand.

While most industrial marketers will continue to advertise through other Thomas products, the pay-per-click offering provides great benefits, said Dave Rae, FindWhat.com's chief strategy officer.

"You get more flexibility with a pay-per-click ad to change the text to reflect pricing offers, competitive pressures or alternate messages," Rae said.

Thomas Global partner FindWhat.com has created its pay-per-click network by bringing together hundreds of smaller, second-tier search sites. It has also sold a private-label version of its service to large companies and portals, including Lycos, Verizon and Mitsui & Co. □



FROM THE PUBLISHER

Bob Felsenthal

Have you done your marketing?

How many times have we complained about b-to-b marketers cutting budgets, ignoring basic marketing and branding needs?

If now is the time for them to reactivate their spending, it certainly is for our industry, too. We are under assault on the ROI question, and it's time to remind our readers and advertisers how important we are to them.

Like our advertisers, we now have many ways to implement our marketing. We have in-house products that are wider and more varied—print, online, e-mail, newsletters, events, research—and we have more types of media owned by others to advertise in, or drive business from. Plus, we can now send electronic media kits and collateral to opted-in customers and prospects, and develop our own online seminars or newsletters for advertisers.

Maintaining and building a brand takes nurturing, time, money and creativity. Market or perish applies to all of us who have a growing list of competitors. Maintaining growth momentum takes more than sales calls. It takes strong products and good branding.

ABM has continued to be an advocate for our industry, but each of us should also consider what we can do. I recently came across a great brochure produced by Reed's research arm and VP-Research Susan Mulcahy that contains many studies on the subject of advertising effectiveness. I was excited to see a publishing company get behind its whole stable of books and give marketers something to chew on. Marketers certainly are hungry for reasons to advertise.

Bob Felsenthal is publisher of Media Business. He can be reached at bfelsenthal@crain.com.

The Thomas Global Portfolio

Property	Description	Business Model
Thomas Register Thomas Regional	Print-based industrial product directories	Free listings; print ads sold by direct national sales team.
Thomas Industrial Networks: ThomasRegister.com ThomasRegional.com ThomasNet.com Thomas Global Register	Web sites	Manufacturers buy "ranking points" to gain preferred site listings.
ThomasB2B.com	New joint venture with FindWhat.com	Advertisers compete in keyword auctions for category-based text ad positions.

third-party affiliate sites, creating the equivalent of a global industrial b-to-b ad network.

The move has the potential to create a one-stop ad buy for industrial marketers hoping to place their ad messages alongside some of the Web's most highly trafficked industrial product listings. ThomasGlobal.com alone includes listings for more than 550,000 industrial suppliers, organized by 10,500 industrial product classifications, in 10 languages from 29 countries.

However, Thomas Global will not initially place paid ad listings alongside listings on the ThomasRegister.com and ThomasRegional.com Web sites, though a decision to add those sites may come in the future, said Dan Savage, president of the new ThomasB2B.com unit.

ThomasB2B is "not a search destination site," said Savage, but rather a way for "advertisers to buy ad programs that are distributed

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Upfront

CXO Media on a hot streak

IDG unit follows up editorial accolades
by announcing plans for a new magazine

BY SEAN CALLAHAN

CXO Media, a unit of International Data Group, is on a roll.

In March, the unit's flagship property, *CIO*, won American Business Media's highest editorial honor, the Grand Neal Award, for the second year in a row. *CSO*, a CXO Media magazine aimed at chief security officers, won several Neal awards, including those for best single issue and best single article, and was second runner-up for the Grand Neal.

"We live by the principal that editorial content creates advertising," said Gary Beach, group publisher of Framingham, Mass.-based CXO Media.

On the business side, CXO Media appears to be performing reasonably well, although privately held IDG reveals little about its financials. Walter Manninen, president-CEO of CXO Media, did acknowledge that the unit is profitable.

CIO booked 1,501.15 ad pages in 2003, a 4.4% increase over 1,437.83 the previous year, according to IMS: The Auditor. In the first two months of 2004, *CIO*'s market share in the enterprise technology sector improved to 12%, from 11% a year earlier, CXO Media said.

Meanwhile, *CSO*, which was launched in 2002, has performed well enough that CXO Media plans to add another title to its stable. *CMO*, a monthly magazine aimed at chief marketing officers, is slated for launch in September. A Web site, cmoresource.com, will

debut in June.

"We've been noodling this one around for about a year," Beach said. "What we noticed is that there is a similarity between the challenges CMOs and CSOs have. Mainly, they both have to convince the other C-level executives of the value of what they were doing."

CMO will concentrate on how to demonstrate return on marketing investment. The editorial content will examine technological solutions to proving ROI but will also discuss more traditional marketing subjects, such as advertising, promotion and budget trends.

"My sense is that they'll take an information systems tack on it," said Sam Whitmore, editor of mediasurvey.com. "Everything to date has been [IT-focused], and that is where their core expertise lies."

CMO's target audience is executives at Global 2,000 companies, and that is where CXO Media is currently focusing its own marketing efforts to build circulation. The magazine expects to debut with a circulation of 25,000. The initial issue is expected to have a 64-page folio with a 50-50 ratio between editorial and advertising.

Another CXO Media title, *Darwin*, had the misfortune of launching in 2000, just after the stock market crash. A Darwin Web site continues, but the print magazine folded in 2002. "I don't believe that it was anything but a fatality of the economy in terms of print," Manninen said. □



CXO plans to launch 'CMO' in September.

AGENDA

MAY 10-12

Interactive Media Conference & Trade Show

Editor & Publisher and MediaWeek
Atlanta, Hyatt Regency
www.interactivemediaconference.com

MAY 22-25

FIPP World Magazine Conference

International Federation of the Periodical Press, Magazine Publishers of America
New York, Waldorf Astoria Hotel
www.magazine.org

JUNE 22-24


The Circulation Management Conference and Expo

Circulation Management
New York, New York Hilton
www.circmanshow.com

JUNE 24-25

ASBPE's 2004 National Editorial Conference

American Society of Business Publication Editors
Philadelphia, Sofitel Hotel
www.asbpe.org



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magazines and websites?
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bank account number.

- V.P. OF MARKETING, NAME WITHHELD

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LETTERS

McAllister Fellowship deserves equal coverage

In regard to the special report in the April issue on "The Neal Awards at 50," there is an unfortunate omission of one of the four special awards presented at this gala occasion.

What makes this omission especially

ironic is that the man for whom the award is named served as ABM chairman 50 years ago in the year the Neal Awards started.

As shown on page 6 of the ABM newsletter inserted in the April issue of your parent publication, *BtoB*, that award was the 10th annual presentation of the McAllister Editorial Fellowship awarded by the Business Press Educational Foundation (BPEF).

The fellowship is named in honor of my late father, Donald McAllister (1902-93), who was the longtime CEO of Geyer-McAllister Publications, founded by his uncle, Andrew Geyer, in 1877 and owned by our family until the sale of its magazines in 1998 to Reed Elsevier.

Long active in association activities, Dad was elected chairman of ABM's predecessor organization, ABP (American Business Press) in 1955 and presumably participated in the planning for the first Neal Awards that year.

As a believer in paid circulation, Dad was co-founder and first chairman of the Paid Circulation Council, which was composed of leading newspapers and consumer magazines as well as business-to-business publications.



Donald McAllister Sr.

Dad wished to express his gratitude to the industry that had treated him so well by endowing in 1984 the McAllister Top Management Fellowship, awarded annually by ABM at its spring conference to a member CEO who makes a tutorial visit to my alma mater, the Medill School of Journalism [at Northwestern University], and works with graduate students as they create a magazine prototype.

After Dad's death, my sister, Liane McAllister Romaine, our company and I endowed the McAllister Editorial Fellowship in 1995. It is awarded annually to an ABM editor selected from Neal Award finalists and winners to work with Medill students at a time when they're concentrating on business-to-business writing. The recipients of both fellowships receive an honorarium and a crystal bowl.

The 2004 winner of the Editorial Fellowship, Aric Press, is editor in chief of *The American Lawyer*, whose supplement, "The Future of Litigation," appeared in *The American Lawyer* and *Corporate Counsel*.

Donald McAllister Jr.
Former chairman (1988-98),
Geyer-McAllister Publications

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Correction

A story about ad readership studies in the April issue (page 20) incorrectly identified Readex Research as a division of NewsBank. Readex Research is a privately held company based in Stillwater, Minn.



Media Business Innovation Awards Luncheon

New Date
Wednesday, June 9

Place
Grand Hyatt Hotel, New York

Time
11:30 Cocktail Reception
12:30 - 2:15 Awards Luncheon

Price
\$95 (Pre-registration required
by June 8)



Join *Media Business* on June 9th in Manhattan to honor the most innovative publishing executives of year! Featured in the May 3rd issue of *Media Business* magazine, our award recipients have been selected for creative thinking and innovative ideas at both large and small trade publishers/publications as well as general business publishers/publications in the following six categories:

- Top CEO • Top Publisher • Top Editor • Top Production Executive
- Top Circulation Executive • Top New Media Executive

Honor the award winners and network with leading industry executives at this must-attend event for anyone in business publishing!

To register, go to www.btobonline.com/calendar and scroll to the *Media Business* Innovation Awards Luncheon. For more information, please contact Tara Curran at 212-210-0206 or tcurran@crain.com.

Sponsorship opportunities are available! For rates and details, please contact David Bernstein, Advertising Director, at 212-210-0782 or dbernstein@crain.com.

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Confronted with economic challenges and competitive pressures, these executives responded with new ways to generate revenue, cut costs and build their brands

Top Innovators

in Business Publishing

The past few years have been challenging ones for b-to-b media, with ad pages in decline, lingering travel concerns hurting trade show attendance and the Internet siphoning revenue from trade publications. In this tough environment, it's been those companies whose executives have responded to changing conditions by changing their businesses that have fared the best.

Media Business has created the Top Innovators in Business Publishing Awards to recognize publishing professionals who've found new ways to generate revenue, different methods to cut costs and alternative ways to inspire employees to do both.

Understanding that innovation can stem from every corner of an organization, we have established awards in six categories: top executive, publisher, editor, circulation, production and new media. Understanding that different size organizations face different challenges, we have given awards in three publishing divisions: large trade, small trade (under \$125 million in annual revenue) and general business.

Read on and take note of the successful business media innovations that can be adapted for your own enterprise.

For International Data Group Chairman Patrick McGovern, looking at the world in innovative ways seems almost congenial.

As a teenager in the 1950s, he built a computer that played tic-tac-toe out of material he bought at a hardware store. After graduating from Massachusetts Institute of Technology in 1960, at a time when few Americans were permitted to peek behind the Iron Curtain, he traveled through the Soviet Union. There he found a people full of *Pravda* misinformation who saw the U.S. as intent on destroying their nation out of jealousy.

In 1964, McGovern founded International Data Corp., the company that would become International Data Group. Its mission was to publish information about the computing revolution, which he believed could change not only business but the way people lived.

McGovern has always seen publishing as an international endeavor. IDG launched its first foreign publication in Japan in 1972. Eight years later, it was the first foreign publisher to enter China. In 1988, McGovern returned to the Soviet Union to launch a PC publication.

Beyond its international focus, IDG has made a commitment to decentralizing its operations. McGovern remembers returning from a long trip in 1968 to find an in-box stacked with papers. That led to an epiphany that prompted him to allow executives to run their part of the IDG business unfettered. "It looked to me like I'm not leading the company, I'm holding the company back," he said. "Everyone is waiting for me to do something. There are tens of thousands of very successful companies out there that I don't give any advice or guidance to."

And while many business media companies were lured by initial public offerings, IDG as a whole resisted, although it did spin off IDG Books, publishers of the "For Dummies" series. (IDG eventually sold that company). "We found that our fears were well justified," McGovern said. "Before we went public, we concentrated on producing the titles the market needs. After it went public, we focused on how we going to convince the analysts that we were a glamorous company."



Patrick McGovern

Division: Large

Title: Chairman

Company: International Data Group

Comment: McGovern can rightly be called a visionary, having seen when he founded the company in 1964 that the world would grow increasingly computerized and internationalized.

When 101communications was launched in 1998, it seemed like a can't-miss proposition. The company acquired niche technology publications, such as *Microsoft Certified Professional*, with the intention of selling package deals to large advertisers across a range of magazines. But in the wake of the tech wreck, 101communications, like most tech media companies, struggled.

Since Jeffrey Klein, a former Times-Mirror executive, took over as CEO in 2002, 101communications has taken innovative steps to generate revenue. Most prominently, Klein oversaw the January launch of the IT Compliance Institute, which builds on a concept pioneered by 101communications' Data Warehousing Institute.

The institutes are associations run by 101communications that provide in-depth content on complicated subjects via the Web to paying members. In effect, it is a strategy to generate revenue from the Internet.

The company has



Jeffrey Klein

Division: Small

Title: CEO

Company: 101communications

Comment: Under Klein's direction, 101communications has been able to generate revenue from the Internet through its "institutes" and special reports.

also helped pioneer in-depth special reports that delve deeply into a specific topic. These reports are then made available for download on the Internet for those interested enough in the topic to pay a one-time fee. This technique has worked so well that Klein has been inclined to keep it to himself. "I'm not sure I even want to talk about it," he said.

Other innovations at the company have taken place behind the scenes. For instance, Klein has gone against the grain in bringing inside some functions that are traditionally outsourced. In the past year, 101communications invested in hardware to do its own Web hosting, allowing the company to deliver Web pages faster. "If you have to wait for the page to load, it's usually because the server isn't handling the volume," Klein explained. "You lose people that way; they don't want to wait."

Additionally, Klein has brought 101communications' list rental back in-house. It's another against-the-grain move but one done for an age-old sales reason. "It gets you closer to your customers," he said.

—S. C.

Perhaps the most innovative thing that Harold McGraw III, chairman-president-CEO of the McGraw-Hill Cos., has done is maintain the company's growth in the difficult business environment of the past few years. McGraw-Hill produced more revenue last year (\$4.8 billion) than in 2000 (\$4.3 billion), something of a rarity among business information companies. It has also extended to 31 years its streak of increasing its dividend.

McGraw himself tends to value organic growth over growth through acquisition. "Too many people too much of the time think of growth as a shopping spree," he said. "Growth through transactions—that's a mindset to be very careful of, buying someone else's ideas, capabilities or experience."

For McGraw, a healthy company is one that grows by responding to changing customer needs and by finding new ways for existing brands to work together. McGraw-Hill's flagship publication, *BusinessWeek*, provides examples of both approaches.

Last year, the magazine introduced "Fashion Week," a special supplement covering



Harold McGraw III

Division:

General Business

Title: Chairman-president and CEO

Company: McGraw-Hill Cos.

Comment: McGraw has fostered an environment of working together among brands to generate growth for the company.

the intersection of business and fashion. The supplement attracted luxury advertisers, such as Chanel, that hadn't used *BusinessWeek* in the past. In an example of existing McGraw-Hill brands working together, *BusinessWeek* used data from Standard & Poor's to create *BusinessWeek 50*, a listing of the best performing companies.

McGraw-Hill Construction is also growing through innovation. The unit is led by Norbert Young, whose background was in construction rather than publishing. As a former customer, he provided insight into McGraw-Hill Construction brands—such as Dodge, Sweets, *Engineering News-Record* and *Architectural Record*—and how they could cross-sell to common customers rather than operate as stand-alone brands. "In a relatively short period of time, they were able to double their profits and deliver relatively solid growth," McGraw said of the construction unit.

McGraw said the company strives to foster a culture of growth and collaboration. "We have a phrase here: 'Don't go it alone,'" McGraw explained. "There is no mindset of a star system."

—S. C.

Top Innovators Awards luncheon

Media Business will honor the winners of the inaugural Top Innovators in Business Publishing Awards at a luncheon Wednesday, June 9, at the Grand Hyatt Hotel in New York.

The program will start with a cocktail reception at 11:30 a.m. The awards luncheon will begin at 12:30 p.m.

Tickets are \$95, and reservations can be made online at <http://www.btobonline.com/calendar>.

The Grand Hyatt is located on Park Avenue at Grand Central Station.

Like many trade magazines, *Aviation Week & Space Technology* covers a relatively mature industry. To generate growth, Ken Gazzola, exec VP-publisher, has to look far beyond ad pages for the McGraw-Hill Cos. magazine.

"We're trying to capitalize on what we see, whether temporary or not, as a shift away from emphasizing conventional advertising," he said.

Under Gazzola and other executives in the Aviation Week Group—such as Greg Hamilton, publisher-strategic media; Mark Lipowicz, director-product development; and Anne McMahon, director-information marketing services—the unit has expanded beyond its traditional coverage area and searched for new ways to monetize its content.

Late last year, the group launched "NetDefense," a newsletter covering the military's

computer networks that link air, land and sea forces. "NetDefense" represents a strong move beyond aviation coverage. "We hope to double our community and double our customer base," Gazzola said.

In addition to expanding the group's coverage to areas such as homeland

security, Gazzola has deepened it as well to generate growth. The group has formed partnerships with other companies in the aerospace and defense industries to provide information in addition to its news and analysis. For Gazzola, it's about attracting visitors to the AviationNow Web site all through the workday.

"It's not enough to be the first read," Gazzola said. "The key is being a part of the workflow all day long."

—S.C.



Ken Gazzola

Division: Large

Title: Exec VP-publisher, *Aviation Week & Space Technology*

Company: McGraw-Hill Cos.

Comment: Gazzola has overseen *Aviation Week's* expansion beyond its core coverage area as it strives to provide information to help its readers do their jobs better.

When Dan Tidwell joined Randall Publishing Co.'s *Equipment World* as a salesman about 11 years ago, the magazine took a backseat to Reed Business Information's *Construction Equipment*, a longtime fixture in the market. That's not the case anymore, as *Equipment World* has outpaced its chief competitor in ad pages the past two years, according to IMS: The Auditor.

Tidwell can't take all the credit, but during his five-year tenure as publisher he has helped oversee a number of innovative programs that have boosted the magazine among advertisers and readers. For one thing, Tuscaloosa, Ala.-based Randall's purchase of Equipment Data Associates in 1998 has helped improve the quality of *Equipment World's* circulation. "Circulation, that's the lifeblood of any publication," Tidwell said. "That is what EDA is about, and it gives us a leg up on the competition."

EDA collects data on construction and other equipment purchases. Using this information, the magazine can help ensure that readers are actually buyers. Beyond that, *Equipment World* enables advertisers to gauge return on advertising investment by tracking the performance of leads by using EDA data.

Four years ago, *Equipment World* instituted a Contractor of the Year Award honoring the best companies among the publication's readers. Tidwell sees the awards program as key to building the magazine's brand. "Our brand is something we've tried to really enhance," he said. "We're in the brand-building business, but a lot of the time we don't do a real good job of branding our own magazines."

—S.C.



Dan Tidwell

Division: Small

Title: Publisher, *Equipment World*

Company: Randall Publishing Co.

Comment: Tidwell has taken advantage of Randall Publishing's acquisition of Equipment Data Associates to enhance circulation.

Fortune magazine knows what its unique strengths are. For one thing, there is its status as part of Time Warner and its affiliation with sibling brands such as CNN. For another, there is the magazine's revered lists, most prominently the *Fortune* 500 but also its lists of the most admired companies and women in business.

Mike Federle, *Fortune's* group publisher, has become adept at developing innovative ways to take advantage of all of the magazine's unique selling propositions. Over the past few years, for example, Federle's staff has created marketing packages that combined ad schedules in *Fortune* with advertising programs on CNN for companies such as Mellon Financial.



Mike Federle

Division: General Business

Title: Group Publisher, *Fortune*

Company: Time Warner

Comment: Under Federle's leadership, *Fortune* has leveraged the power of its brand and those of its Time Warner affiliates.

veen Investments and Wausau. "It works on a branding level and it's also a marketing platform," Federle said.

This year, *Fortune* created a multimedia

package around the 50th appearance of the *Fortune* 500. Five advertisers signed on for exclusive marketing deals: IBM Corp., Hewitt Associates, the Royal Bank of Scotland, AT&T Corp. and Pitney Bowes.

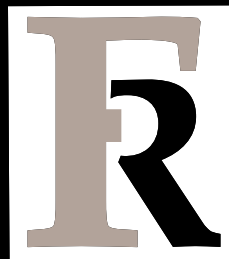
Federle said innovative multimedia programs that take advantage not only of the *Fortune* brand but also other business-oriented brands at Time Warner bring his sales staff closer to customers.

"It takes the conversation to a new level, from 'What's the price of a page?' to getting really engaged at the senior marketing level of these companies," Federle said. "If you put the right platform in front of a client, you get into great conversations about how to build out a plan."

—S.C.

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Abbie Lundberg, editor in chief of *CIO*, is seeing the positive results of a 2000 editorial redesign intended to raise the bar for coverage of the information technology space.

Since the revamp, *CIO* has twice won the Grand Neal Award, in 2003 and 2004, in American Business Media's Jesse H. Neal Awards competition.

"We wanted to bring a sharper edge to our stories and take a more critical look at the topics we're reporting on," Lundberg said.

An important part of the redesign was hiring editorial staff with investigative and news-oriented experience, as well as giving existing staff members more opportunities for investigative reporting.



Abbie Lundberg

Division: Large

Title: Editor in chief, *CIO*

Company: International Data Group

Comment: Under Lundberg's leadership, *CIO* won the prestigious Grand Neal Award in 2003 and 2004 in American Business Media's annual Jesse H. Neal Awards competition.

For example, *CIO* created the position of executive editor, investigations, for staff writer Christopher Koch, who had a talent for investigative pieces, Lundberg said. It also hired several editors with a strong background in newspaper reporting.

One of her greatest challenges has been managing staff resources during the technology recession of the last three years, Lundberg said. "At one time, we had plenty of editors but not enough writers," she said. To

maximize the staff's efficiency, *CIO* gave editors more writing responsibilities. It also shares a copy desk with sibling publication *CXO*.

Lundberg said a particular strength of *CIO* is its uncompromising position on fair coverage.

"If you do a story that's critical of an advertiser, they may get angry in the short term, but in the long term it builds credibility if the story is accurate and true," she said.

—Kate Maddox

Tom Steinert-Threlkeld, editor in chief of *Baseline* magazine, has set a baseline of editorial diligence for the 3-year-old Ziff Davis Media publication.

Baseline, which covers investment and deployment strategies for IT infrastructure, aims its coverage at technology project leaders with the goal of giving them all the information they need to do their jobs more effectively, Steinert-Threlkeld said.

To do this, it uses case studies, project planners and online calculators to help readers figure out the return on their technology investments. "We try to take the case study to a new level," Steinert-Threlkeld said.

The case studies are typically 5,000 to 6,000 words and provide in-depth coverage of IT projects, including goals, specific costs, technology involved, processes and results.

Two reporters are assigned to each case study.

Baseline also has a community editor conduct customer reference checks on the main technology vendors in the case study.

The editor finds at least six customers that were not referred by the vendor and that will agree to have their names, phone numbers and e-mail addresses appear in print. "We don't go to the vendors and ask for their hallmark customers," Steinert-Threlkeld said.

Baseline has another dedicated specialist with the title of workbook editor whose job is to produce worksheets that let readers calculate their own costs for a project. In addition, interactive calculators are available online to help project leaders gauge their technology ROI.

While Ziff Davis does not comment on the profitability of individual magazines, a company spokesman said *Baseline* is one of Ziff Davis' fastest-growing publications.

—K. M.



Tom Steinert-Threlkeld

Division: Small

Title: Editor in chief, *Baseline*

Company: Ziff Davis Media

Comment: *Baseline's* editorial staff has perfected the case study, giving readers detailed information on cost and technology to help them calculate their own ROI.

Stephen B. Shepard, *BusinessWeek* editor in chief, believes that last year's redesign of the magazine, which he spearheaded, has not only helped the reader but the publication's editorial staff.

"I'm very pleased with it," he said of the redesign. "Once we saw it internally and before we unveiled it, I found it hard to look at the old design."

BusinessWeek Art Director Malcolm Frouman and FaheyOConnor Design created the new look, which debuted last fall. It included a revamped cover, larger photographs and bolder page headings for easier navigation. When the redesign



appeared, Shepard told *Media Business*, "This is driven by the fragmentation in media with online and cable TV. You have to stand out more than you did maybe five or seven years ago."

Stephen B. Shepard

Division: General Business

Title: Editor in chief, *BusinessWeek*

Company: McGraw-Hill Cos.

Comment: Shepard oversaw the lauded redesign of *BusinessWeek* last year, which he says resulted in an improved reader experience and a higher level of journalism.

The redesign has helped the magazine focus on its editorial mission, Shepard said. "It helped us to be aware, even more

than before, of the need for continuous upgrades," he said. "You have to keep working at it to make every issue as good as it can be."

Shepard points to the recognition the magazine's editorial has received in recent months. Leading the coverage on outsourcing and the increasing economic power of India, *BusinessWeek* received a George Polk Award earlier this year, and is a finalist in this year's National Magazine Awards competition in two categories: general excellence and public interest journalism.

"I can't say that stems from the redesign," Shepard said, "but we're doing something right."

—S.C.

Michael Zane is at the epicenter of CMP's launch strategy. As group director of audience development, his analysis of the corporate database has been instrumental in launching 18 new publications in the past 12 months.

After its data-mining determined a strong interest in security technology, CMP last year introduced *Secure Enterprise*. From CMP's corporate database of 2.2 million names, Zane gleaned a readership of 45,000 executives with security technology purchasing authority.

"We were able to identify those people who were the cream of the crop and purposely set it at a low distribution [level]," he said. *Secure Enterprise* began as a supplement to *Network Computing* and *Net-*

work Magazine, and it became a stand-alone publication by the third issue.

Zane said CMP's advantage is its ability to gain speed to market by starting with existing customers.

"Editorial product launches do not require an extensive amount of marketing, direct marketing and promotions up front to develop the circulation because we already have it," he said. "That's where the database pays off."

Two other publications launched in 2003 as a result of database analysis are *Government Enterprise* and *Healthcare En-*

terprise, supplements to both *Information Week* and *Optimize*.

Under Zane's leadership, CMP has also introduced Smart Qualification Forms.



Michael Zane

Division: Large
Title: Group director of audience development
Company: CMP Media
Comment: Zane has successfully mined CMP's corporate database to help launch 18 publications in the past year.

These are online forms that trigger different offers based on subscribers' answers to a series of questions. "The way you answer on page one determines what you see on page four," Zane said.

The customized form has enabled CMP to launch 15 more newsletters. "In the last six months, we've developed just shy of 300,000 new newsletter subscribers," Zane said. —Carol Krol

Selling regional editions is one sure way to increase advertising dollars, but 127-year-old *Farm Journal* takes this approach much further by creating different demographic editions for a wide variety of farmers. From soybeans and beef to corn and hogs, different crops and livestock receive special editorial and advertising treatment. The size of a farmer's property is also factored into the equation.

This narrow segmentation can mean thousands of different versions of *Farm Journal* are sent out to the title's 450,000 subscribers. Single issues can range in size from 64 pages to 162, depending on how much advertisers want to target each farmer.



Steve Custer

Division: Small
Title: Publisher, *Farm Journal*
Company: Farm Journal Media
Comment: Advertisers in *Farm Journal* can aim for such a specialized audience that sometimes they reach an audience of one.

"It can get down to where one subscriber has a magazine like no other in the print run," said Publisher Steve Custer. "We really don't like to do that."

Now, Custer and his group have taken the concept online. So when a wheat grower in Kansas with fewer than 250 acres logs on, he is getting a very different experience from the tomato farmer in Arkansas.

The key to all of this is information gathering. *Farm Journal* has been collecting demographic information on its audience since the 1960s.

"We really benefit from having done this for so long," Custer said. "When we call people up and ask for loads of information, they don't immediately get off the phone. They know who we are and they've spoken to us for many years."

Fifty percent of *Farm Journal's* subscription files are updated every year. "It's a very large upfront investment, but clearly it's a huge asset for our business," Custer said.

—Mark J. Miller

Beth O'Rourke takes a calculated approach to circulation marketing for *The Economist*. While she aggressively pursues new ideas and avenues, every decision is carefully considered and grounded in sound business. "We don't move with the trends and the fads," she said. "We take a studied look at things."

O'Rourke has been in charge of circulation since 1981 and is now chief operating officer of *The Economist* North America. In that time, circulation has grown 643% to 436,803. "One of the things that has made us successful over the years," she said, "is we're willing to wait for success."

The Economist has been especially successful with its free-standing newspaper inserts, which are full color and printed on heavy paper. The inserts originally ran in business newspapers such as *The New York Times* and are now distributed more widely based on high response rates.

O'Rourke said it makes no sense to grow circulation fast. "We don't discount ad rates, we charge a premium price and we don't worship the god of fast circulation growth," she said. "Because of the superior content of our editorial, we've so far been getting away with it," she said.

The Economist beats its competition at the newstand, O'Rourke said. "We outsell *Forbes*, *Fortune* and *BusinessWeek*."

The magazine has recently focused on gaining display space at book retailers.

"Their customers are customers like *The Economist's*," she said. *The Economist* has become the third-best-selling magazine at Barnes & Noble, a distinction it has held for the past 18 months, she said. "Only *People* and *Time* outsell us," O'Rourke said. "That does gauge our vitality, and it's also a very good story for our advertisers." —C. K.



Beth O'Rourke

Division: General Business
Title: Chief operating officer
Company: *The Economist* North America
Comment: O'Rourke has built *The Economist's* circulation through steady promotion. "It's not flashy," she said. "This is hard work."

Bill Amstutz, CMP Media's senior VP-operations, has long been an innovator when it comes to co-palletizing, cobinding and drop shipping. "With these, it's really more about future bottom lines than the current one," he said.

Savings from these initiatives are bound to increase dramatically in 2006 when the U.S. Postal Service is expected to increase rates yet again. In preparation, Amstutz has been busy experimenting with these processes while encouraging others—including his suppliers—to do so as well. Meanwhile, he has cut CMP's current production bottom line significantly by bringing in-house functions his printers used to serve.



Bill Amstutz

Division: Large

Title: Senior VP-operations

Company: CMP Media

Comment: An innovator in the areas of co-palletizing, co-binding and drop shipping, Amstutz has had great success in cutting CMP's production costs.

plus titles so editors will be able to retrieve archived photographs and know rights information immediately.

"Once we figured out the money we could save and the flexibility these give us, it was really a no-brainer to do it," Amstutz said of the two systems.

In the past year, Amstutz began overseeing online advertising and audience development, and these are the two areas he's currently focused on to find new ways to cut costs, especially in the area of gathering customer information.

—Mark J. Miller

Tom Martin has worked in the publishing industry for more than 30 years, but he doesn't sit around longing for the good old days. In the past decade, Martin, VP-manufacturing at Cygnus Business Media, has earned a reputation as one of the most forward-looking production executives in b-to-b media.

In the 1990s, Martin helped pioneer the move to computer-to-plate production at Cygnus. The company now completes as much of the production process as possible in-house. Rather than leaving final adjustments to the prepress department at the printer, Cygnus has installed Preps Pro imposition software, which is usually reserved for printers. This software enables Cygnus to send files that are ready to be made into plates without intermediate steps. Martin estimates this technique saves the company about \$600,000 a year.

Martin began in the publishing business on the sales side. In the 1980s, he helped launch *Prepress Imaging & Assembly World*. As publisher of a magazine covering the advance of printing technology, he was unafraid of trying new production processes. For example, on his staff's advice, he bought some licenses for Adobe's InDesign software when it first made its challenge to QuarkXpress. Currently, Cygnus still relies on QuarkXpress for the majority of its publications, but it is using InDesign more frequently.

Martin is also overseeing the switch from Macintosh to PCs in Cygnus' editorial department. (The art department will continue to use Macs). The move, like all of Martin's decisions, is made with an eye on efficiency. "It's about integrating better with sales and marketing," he said.

—S.C.



Tom Martin

Division: Small

Title:

VP-manufacturing

Company: Cygnus Business Media

Comment: After three decades in b-to-b publishing, Martin keeps on the cutting edge of production technology.

In the past few years, *The Wall Street Journal* has instituted significant changes—altering its front page design, which had gone virtually untouched for 60 years; introducing the "Personal Journal" section; and adding color capacity. A goal of the revamps was to diversify the *Journal's* advertising base and attract more luxury goods advertisers.

As the *Journal's* VP-production, Michael Sheehan oversaw the nearly four-year project, which entailed about \$225 million in capital investments. (Sheehan was named the *Journal's* VP-circulation late last year). The project increased the newspaper's page capacity from 80 to 96 pages. It also boosted the *Journal's* color



capacity from eight pages to 24.

The project required significant changes at the *Journal's* 17 printing plants. But Sheehan prefers to focus on the training efforts involved in the project

Michael Sheehan

Division: General Business

Title: VP-circulation (formerly VP-production), *The Wall Street Journal*

Company: Dow Jones & Co.

Comment: Sheehan oversaw the major revamping of *The Wall Street Journal's* production processes to accommodate more pages and provide more color capacity.

rather than on the "iron and brick and mortar" changes. He said he tried to get his employees to look beyond the machin-

ery they operate to the purpose of the equipment: to produce a readable, consistent, finished product for readers.

Sheehan said a key goal of the training was to ensure that each of the press facilities produced the paper in exactly the same way. "The IBM blue color should appear the same way at every plant," he said.

Sheehan attributed the success of the project to a vast team effort. He named five executives, in particular, who made the process work: Larry Hoffman, the current VP-production; Joe Casado, deputy product director; Paul Cousineau, director of continuous improvement; Bill Harmer, director of project planning; and John Beers, construction and facilities manager.

—S.C.