

Zealot Profile

Daniel B. Brewster, Jr.

Gruner + Jahr USA
President and CEO

“I have an absolute, uncontrollable passion for what I do,” says Dan Brewster. In just over a year as CEO of Gruner + Jahr USA, the American magazine-publishing arm of the German media conglomerate Bertelsmann AG, Mr. Brewster has shaken up the country’s sixth-largest magazine company: He has raised advertising rates, cut circulation guarantees, upgraded paper quality. He bought Fast Company and Inc. and found a window on the world of business. He changed the staid American Homestyle & Gardening into a spunkier Homestyle as he revamped Fitness and YM. And he presided over the transmogrification of the creaky McCall’s into the cheeky Rosie, a joint venture with talk-show host Rosie O’Donnell.

“Ours is entirely a people business.... We don’t own anything other than brand names. This is a creative enterprise where you have to set up an environment where you can attract and retain the best possible talent. That’s the starting premise. People can’t be fooled for any period of time. Unless you’re delivering on your promise, you can’t succeed for long.

“We try to create an environment where people really love their job and love coming to work. At American Express Publishing, where I was president and CEO, the statistic I was proudest of was not that we grew revenues 12 times in five years, but that, in my last year as CEO, there was 94 percent employee job satisfaction.

“At Gruner + Jahr, we had a very high turnover rate. Part of the new philosophy is to give people responsibility. You give them the authority to get the job done, and you leave them alone. We had a presentation the other day, and there were very few comments from senior management. The publisher said, ‘Is everything OK?’

and I said, ‘You should take the absence of comment as a blessing.’

“You start with people and product quality. If you get that right, and you have the proper publishing formula, that leads to profitability. There is another formula, which says that you start with profitability, you add 15 percent, and then you cut whenever you need to. In terms of product quality, I think that’s self-defeating. That’s not to say we will run the organization solely for the benefit of the employees — we have other constituencies; the shareholders are certainly one. Given this kind of economic climate you really can’t have any expense that doesn’t translate directly into benefit for your customer, be it a reader or an advertiser....

“I don’t have a college degree. That’s never been a hindrance. In fact, it’s something of an advantage. I’ve done all the jobs that relate to this business: I’ve been a reporter, an editor, a circulation director, a general manager. I don’t know what an MBA does for you — that’s ill-defined. It’s sort of a social screening process. I’ve learned what it takes to make a magazine work.

“I’m also smart enough to hire around my weaknesses. I certainly don’t have the accounting training; you can learn most of the basics, and if it becomes more esoteric, you hire the MBA or whomever you need. One great thing about being a reporter is that a good reporter learns to sift through a lot of information fairly quickly and learn what’s important. Business schools come up with more confusing elements than you can possibly imagine, with plausible scenarios. What you really need is a sense of direction and to be able to focus.

“It’s important for us to integrate Gruner + Jahr with Bertelsmann, to be considered part of a worldwide media company. It’s important for us to use the Pearson Television group and Random House — the word ‘synergy’ hasn’t worked well in the past, but I think you can extend your brand into other areas. For instance, we can go to Ford and say there’s this incredible array of opportunities, each of which can cross-promote the other.

“As we grow, our ideas have to come from the staff. There’s no such thing as a Department of Ideas. I hope to be a catalyst for people’s creativity.”

— Interviewed by Michael Ryan

