



Nine Business Insights from Time CEO Ann Moore, Plus the Mix-and-Match Women

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Ann Moore, chairman and CEO of Time, Inc., is "worried about the future of business in America. Our daughters have read too much Dilbert, and have become convinced that what [business women] are doing is not creative, that we work in these little cubicles, that it is a terrible life. We have not communicated that [careers] can be rich and wonderful.... Business is going to be in trouble if this generation is determined not to follow in our footsteps."



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Moore, who oversees the company's publishing division, was a keynote speaker at the 7th Annual Wharton Women in Business Conference held November 3. Her talk was followed by a panel discussion on the challenges of the new retail environment in the leisure and style industry.

Moore knew her audience. "I go out of my way to talk to smart women," she said, "because I think it is important for us to get together and figure out how to change the world." Moore herself is a convincing example. She joined Time, Inc., in 1978, straight out of Harvard Business School, and in 2002 was named chairman and CEO. She hadn't aspired to that position, Moore said, and in fact had been content with a career path that included running Time's *People* division, clocking 10 years at *Sports Illustrated* and launching a dozen new magazines. "I didn't need to be chairman -- running 156 magazines read 300 million times every month -- to feel fulfilled."

"I had one of the great jobs in corporate America," Moore acknowledged, referring to her stint as the number-two person at *Sports Illustrated*. "I had been to every Olympics since Lake Placid. I had sat on the 50-yard line at the Super Bowl. I threw out the first pitch at Shea Stadium at the Mets game ... three times ... and that's when they were winning." She was even asked to judge the Miss America competition in 1994. If taking part in the Miss America contest seems out of sync with Moore's corporate image, she went on to explain how it ties into a number of lessons she has learned during her career, starting with:

One: Never turn down the chance to vote. "We made history" at the 1994 Miss America contest, Moore said. "We chose Miss South Carolina, Kimberly Aiken, an African American woman. Her platform was the homeless, and she was a most inspiring, gorgeous role model." Moore believes that voting, particularly for elected officials, is a privilege no one should take for granted. Time gives every employee time off to vote on Election Day.

Two: The only difficult assignment in business is finding good people and putting them in the right job. "That's the secret," Moore said, "and it's really pretty simple." Moore insists that the lessons we teach our children should also apply to the work force. Say "please" and "thank you." Do your homework. Look both ways. Speak up. Don't shout. Listen to your teacher.

The late management guru Peter Drucker at one point offered Moore what she viewed as a logical explanation about interpersonal conflict and basic behavior. "It's the law of nature," Drucker said, "that two moving bodies in contact create friction." So Moore doesn't get worried any more when she sees two grown people fighting in the office. "It's just physics,' I whisper to myself. Still, I go out of my way to

avoid hiring people without manners."

Three: "You will not believe this," Moore said, "but you will never have more control over your professional life than you do when you start out." All of us think that when we grow up we will be in charge and be able to decide what we want to do, where we want to go and when. "It doesn't work that way. As you go up the pyramid, customers and shareholders take over your calendar. My blackberry tethers me to the office 24/7. Spend 24 hours with the chairman of any of the Fortune 500 companies.... It is utterly exhausting. Enjoy control and time while you still have it. And be careful what you wish for."

Four: Forget the clock. Get a compass instead. Time management studies suggest that by doing things more efficiently we will gain control over our lives. "This is just complete baloney," Moore countered. "Faster, harder and more does not bring peace and fulfillment. Where you are headed is more important than how fast you are going. Always plan for the long-term strategy because, trust me, 25 years fly by in the blink of an eye."

When Moore graduated from Harvard Business School in 1978, she had 13 job offers. She accepted the one with Time over more lucrative Wall Street opportunities although it was the lowest paying because "I loved magazines. Others thought I was crazy, but I ended up as president of *People*. And I did not look so stupid at our 25th reunion."

Five: Power accrues to those who produce results. Profits matter. "I won the key to the corner office because, for more than a decade, I managed more than 50% of the profits Time makes," said Moore. "I created a lot of those profits. I launched more magazines than (Time founder) Henry Luce."

Six: "This may confuse you," Moore admitted, "but power isn't everything." Power means incredible sacrifice and constant trade-offs between work, spouse and family. She said she "paid a price for power, and I wonder how many women today will be willing to do the same." Moore has been married for 31 years and has a 21-year-old son in college. She heartily endorses a blend of work and home life, but warned, "Find your own balance and be happy."

Seven: Recognize that there are fundamental differences between men and women. "It's genetic It is not environmental." Moore didn't get that until September 1984 when she became the mother of a truck-loving, bouncing baby boy. She and her husband would make lists for the housekeeper of the most important staples they needed in the house. "Never did my husband's and my list overlap, even by a single item." Her list included necessities like diapers, eggs, milk, toilet paper. Her husband listed macadamia nuts and Welch's grape juice in his top five. "We have to live with it," Moore said. "There are differences. That's just the way it is."

Eight: All behavior emanates from the top and reverberates down the organization to the lowest level. If you can, suggested Moore, check out what your chairman is carrying in his pocket or in her head. What are her values? "There are vast differences in organizations led by the man or woman" whose philosophy is 'Follow or get out of my way' as opposed to "the type of chairman who carries an Emerson poem about children in his pocket. It is best if the chairman's values are compatible with your own. That's one of my greatest secrets."

Nine: Making money is easy. Making a difference is hard. That's why cause-related marketing is a powerful tool today, one that inspires staff and customers. "When I'm 85 in my rocker on my porch and looking through my box of snapshots, what memories do you think I will cherish most? Will it be catching a company plane to go to a shareholders' meeting or playing golf? Will it be the famous people I have met or the wardrobe of ball gowns I'm accumulating? It would probably be the work that my mother did so well, that she is still doing. Even with arthritis she does something kind every day for a neighbor, the women's club or the church."

Big Business and Community Service

Moore said she is proud of the cancer support community she started that will be standing, she hopes, long after she is gone. She is thrilled at having launched *Sports Illustrated for Kids* and designing it to interest both boys and girls, despite snide comments from media "know-it-alls" that "girls don't like sports." The magazine was given free to underprivileged children. Moore read the first letter she received in response to the new publication. It came from Iris, a little girl in Brooklyn, who wrote: "I love your magazine so much I'm probably going to fall out of my chair and hurt myself."

She said she feels honored to be at the helm of a company that was founded not only as a journalistic enterprise, but one that operates in the public interest. For instance, she has directed the founder of *Essence*, a new acquisition for Time, Inc., to take a strong hand in the rebuilding of New Orleans. She values being a board member of Avon Products (Time Warner executives are limited to joining one for-profit board a year) and said she chose it because the company empowers women to be economically independent and to know they have choices. Its values, she noted, match her own. (Andrea Jung, the first female chairman and CEO of Avon, was keynote speaker at the Wharton conference last year.)

When asked to join Avon's board, Moore asked what the company had done to advance women. She learned about pins they had sold for \$2 each in the United Kingdom to raise money for breast cancer awareness and research. She said she would agree to come on board if Avon would roll out the project worldwide. It did, and the initiative generated \$250 million dollars to support research and access to diagnosis and treatment for underserved women. "Never underestimate the power of a two-dollar pin."

Moore also told her audience that "You are responsible for your own career. People come into my office and say, 'What do you have in mind for me next?' Well, I don't have anything in mind for them. The question is, 'What do you have in mind for you?' People get jobs by letting others know what they want to do. I find it tragic that people who have worked beside me for 25 years leave burned out, mad or disappointed. Everyone needs to figure out how to plan their lives, including the second act which comes after they retire from business."

Women want success, just like men do, Moore believes. But they define it differently. To men, "success means money and power; to women, success is happiness and fulfillment.... Our job is to convince this generation that working in business can be fun."

The Mix-and-Match Woman

In the panel on "Designing Women," three participants -- Jacqueline Jenkins, who heads strategic sourcing for Ann Taylor; Elizabeth Preis, vice-president of relationship marketing for Saks Fifth Avenue nationwide; and Sandra M. Alton, vice-president of retail for Tiffany & Co.'s two Philadelphia stores -- talked about the challenges of the current retailing environment, defined by new attitudes about fashion and the growing phenomenon of "trading up" -- more middle market consumers wanting luxury, high quality products.

"Today you are more likely to see a mix-and-match woman, someone wearing a Prada skirt with a Zara top," said Jenkins. Novelty or "knockoff" brands, offered by stores such as Wal-Mart and Target, present customers with options, creating a marketing dilemma, she noted. Where do you advertise? Whom are you talking to? How do you differentiate your product?

"The luxury market is not as linear, not as pure, as it used to be," added Preis. The contemporary department for women is no longer for those between the ages of 18 and 25. It is being frequented, as often, by people who are 40, 50 or 60 who, because of the fitness craze, look a lot younger than people that age used to look even 10 years ago. They want to wear what they feel comfortable in and buy the best they can. "It's no longer a negative to say you got a bargain on something," said Preis. "It's actually a

badge of honor to say, 'Look at what I got and this is how little I paid for it.'"

Against that backdrop, Preis's mission is to find innovative ways to retain current customers and cultivate new ones through corporate and direct marketing. She works with a detailed database that gives her strategic information about customers -- what kind of credit card they use, how often they shop at Saks, what they buy and how their buying habits are changing. She and her team want to convert generic credit card customers to SaksFirst Loyalty customers who automatically turn to Saks when making purchases. Her strategies include special mailings, customer-specific events and catalog mailings.

Alton said her company is struggling with ways to encourage women to celebrate their own successes by buying themselves an expensive piece of jewelry. "But there is an emotional disconnect there," Alton noted. "A woman making \$200,000 a year and buying her own home and educating her kids still won't spend \$1,500 for a piece of jewelry." And yet, she said, Tiffany has an edge. It is still the place, "with 170 years under its belt as a miner of diamonds, where you purchase jewelry for milestone occasions."

No Time to Think

Concerns about work/life balance discussed by Moore were echoed by the "designing women" panelists who called it one of the most vexing issues facing working executives. The rush of technological advances has compounded the problem. Along with the proliferation of the Internet and cell phones, and blackberries stuffed into Marc Jacobs handbags, comes the expectation of immediate response, instant reaction and the inevitable intrusion into personal space. "I find that I don't even have the luxury I did, only five years ago, of thinking through strategies," said Preis. "All of this technology -- doing everything so fast -- has allowed us to be less strategic than we used to be. We used to be able to ride things out a little more."

The hardest thing for Alton is just finding time to think. She solved her problem partially by taking an apartment in midtown Philadelphia, about half an hour away from work. "Walking to work is my thinking time," she said, "and I surround myself with people who know how to think. We do it together."

One of the things Alton and her team are mulling over is a push toward diversity, opening the doors to successful young people through design of the product and of the stores themselves. "We have just gone through an eight-and-a-half month renovation of the Walnut street store," said Alton, "and you haven't lived and breathed until you've been through one of those. You forget the nail polish and learn about wrenches and screwdrivers and a lot of things you thought you would never need to know."

Because of the growing number of African Americans and Hispanics in and around Philadelphia, Alton is challenged to learn about their jewelry interests, their lifestyle interests, the magazines they read. "You need to know their feelings, how they identify and what motivates their buying," she said.

Ann Taylor opens 100 stores a year, and Jenkins' challenge is to improve management of those renovations effectively and to build relationships with vendors. She focuses on indirect buys -- not just fabric, but fixtures, lighting and armored car service -- from a global perspective. How can these products be purchased from abroad?

Preis came to Saks by way of a management training course at Bloomingdale's, an MBA acquired in Fontainebleau, France, and her own luxury hosiery business in London. "It's easy to say you want to be part of this industry," she said, "but I want to hear why you are so committed to this. Take a course at FIT (Fashion Institute of Technology). Be a part-time salesperson at Gap. Do something to learn what goes on inside of a company. It goes a long way when you're trying to get a job."

Alton advised others not to "stay as long as I did in jobs you don't like." She did a lot of work she disliked before she found her calling at Tiffany & Co. 21 years ago. She was a dental hygiene major at Temple University and worked in the field for 10 years. She went on to become a development officer at

Columbia University, and although she stayed for five years, she didn't like that job much either. When she got a call saying that Tiffany was looking for more diverse people to rebuild the stores, she took a job as manager. "I knew nothing about operations ... but it was Tiffany. So I accepted the job with absolutely no knowledge." She succeeded, she said, because of the mentors she chose. Her advice to young people: Pick your mentors and cultivate them. Let them know you want their help and advice.

After working for five years in commercial banking, graduating from Wharton with an MBA and working on several entrepreneurial projects, Jenkins took a personal inventory. She zeroed in on her skills and her passion, which propelled her toward a career in retail. "As a kid, I always loved paper dolls -- putting together outfits. I enjoy shopping. So I began networking and figuring out how I could take my skills and use them for something I love."

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