



From Writing to Leading: How John A. Byrne Is Remaking Fast Company

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Magazine publishing is a tough business. The competitors are many, advertising revenues are subject to economic vagaries, and time-strapped, media-saturated readers can be hard to satisfy issue after issue. John A. Byrne has spent his entire professional life in magazines, so if anyone knows the business, he does.

Byrne also knows a lot about corporate management. He covered that beat for a long time for *BusinessWeek*, and in 2001 he co-authored a best-selling book on leadership, *Jack: Straight from the Gut*, with Jack Welch, former CEO of General Electric. In addition, Byrne knows what can happen when leadership goes awry; in 1999 he wrote *Chainsaw: The Notorious Career of Al Dunlap in the Era of Profit-At-Any-Price*, a book about the rise and fall of Al "Chainsaw" Dunlap, former CEO of Scott Paper and Sunbeam.



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These days, though, Byrne finds himself in something of a new position. He is still involved with magazines -- this time with *Fast Company* -- but now he's editor-in-chief, not a writer. Appointed to the leadership post last year, he must, for the first time in his career, worry about the success of an entire enterprise, not just a tight deadline for a cover story.

Byrne's task is made more complicated by the fact that he is trying to turn around a one-time high-flying publication that fell on hard times after the dotcom bubble burst in 2000. Co-founded in 1993 by former *Harvard Business Review* editors Alan Webber and William Taylor in partnership with real estate investor and publisher Mortimer B. Zuckerman, *Fast Company's* premiere issue appeared in November 1995. It found its voice at the same time that ideas about the so-called new economy were starting to gather force at the beginning of the dotcom boom. Little wonder that *Fast Company* took off - and fast. By 1996 it was being published bi-monthly. In 1997, Advertising Age named it the "Startup of the Year." In March 2000, *Ad Week* named Webber and Taylor its "Editors of the Year," acknowledging that advertising revenues had been almost \$40 million two years in a row. Webber said he *saw Fast Company* as more than a magazine; it was "a movement of people shaping the New Economy."

With dot-com fever at its peak, Gruner + Jahr USA, a division of German media giant Bertelsmann, bought *Fast Company* for a price that observers reckoned to be between \$360 million and \$490 million. The timing could hardly have been worse -- at least for Gruner + Jahr USA. The ownership change came just as the Internet and technology bubbles burst, and the New Economy subsided with a whimper. As dotcoms went belly-up and technology stocks plummeted, the advertising market for magazines began to dry up. Publications like *Red Herring* and *Industry Standard*, which had thrived during the boom, began to shut down. While *Fast Company*, like Time Warner's *Business 2.0*, survived, it had to cope with a slow economy, a flat advertising market as well as declining newsstand sales. After some two years of economic agony, Webber and Taylor called it quits. In April 2003, Byrne came on board as editor-in-chief.

Byrne will be one of the presenters at the [Eighth Annual Wharton Leadership Conference](#) on June 2 in Philadelphia. He spoke recently about his new management challenges with [Michael Useem](#), director of Wharton's [Center for Leadership and Change Management](#), and Knowledge@Wharton editors. The Center for Leadership and Change Management is a co-sponsor of the conference with the [Center for Human Resources](#) and Wharton Executive Education.

Useem: You have often written about leadership when you were at *BusinessWeek*. You wrote about the leadership of one top executive, John F. Welch, in your book *Jack*. So having thought about it and written about it, what is it like now to go into a position where you are indeed the leader?

Byrne: My very first experience was to be brought up to Boston, to stand in front of everyone and be introduced as the new leader, and to give bad news immediately. It was that we would be moving the editorial operations from Boston to New York. I said, "Look, I'm really excited to have this job, and to help try to engineer a turnaround of the magazine. But at the same time, I'm also genuinely sad because many of the people [here] are [not] going to be on that journey with me."

I think they appreciated the honesty immediately. I can't be anything other than honest. I knew there was great anxiety about what was going to happen [in Boston] because the company that owns *Fast Company*, Gruner + Jahr USA, also purchased *Inc.* magazine and moved *Inc.* to New York. *Inc.* had already been in New York, so everyone was worried that the same would happen to *Fast Company*, but no one had told them what the story was going to be. So within a day of accepting, I had to go and deliver very horrible news.

I want to create a culture at *Fast Company* that lives the values we espouse in the magazine: very open and honest. Everyone has a say, no matter where that person is on the totem pole. I don't believe in a dictatorial leadership style; it's quite a consensus.

I'll give you a few examples of the things I've done. I have argued that everyone, no matter how junior, should learn from this experience in a way that they typically would not at most magazines. I initiated what we call an 'autopsy' in every issue, where we invite a third-party critic and then the entire staff sits in a room and listens to this person go through one page after another of the most recent issue. The idea is to learn from our mistakes. I don't know how many people would be willing to sit and have everyone on the staff hear their leader critiqued in the way that I've been critiqued in that room. But one of the benefits we can provide in the magazine, since we're much smaller than *Fortune* or *BusinessWeek*, is to be able to do this -- and not behind closed doors but in front of everyone. So far we've had everyone from a long-time reader to an advertiser to an entrepreneur who reads the magazine to a former colleague of mine who used to work at *Fortune*, *The New York Times* and *BusinessWeek* come in and rip us apart. It's been an interesting and valuable experience for everyone.

Another thing I've done more recently is to ask 11 of the most senior people at the magazine to critique me. I signed up for one of these online assessments where people are invited to do this anonymously. You're asked different questions in 12 different categories to get a report card. I actually wrote it up, and that's going to be in the next issue. We will publish some of my grades, which were not all that good.

Knowledge@Wharton: What were your strengths that they identified?

Byrne: These questionnaires tend to ask some questions that are silly, I think, but they get at certain important points. For example one of the questions asked is, ‘Does your boss love his job?’ I got an A-minus for that. Of the two worst grades I got, one was, "Is your boss preparing you to take over his job?" I got a bad grade on that, which surprised me, considering I’m doing the autopsies and because my leadership style is to be inclusive. The other thing is we are in a turnaround mode. The focus really has been on improving the product and less on grooming people to replace me because I’ve only put out eight issues. I joined the magazine in late April [2003] but for two months I just got to know everyone. I didn’t touch the editorial of the magazine or operate the magazine. I basically recruited new staff. I planned the move to New York. I got to know everyone I needed to get to know well so that I could make quick decisions and get to New York with the least stress.

The other poor grade I got, with which I totally agree, was planning. I tend to be very spontaneous, to be not someone who has neatly piled papers in his office. In fact, that’s sort of the symbol for me. I had a little coaching session on my grades, and I told everyone who was asked to evaluate me what I would do in relationship to my low grades. So I immediately thanked them for my high grades and said, ‘OK, here’s what we’re going to do about planning.’ I put in more structure, including more set meetings every month to improve communications and to make the internal planning inside the magazine more transparent to greater numbers of people.

Useem: You have touched already on issues of restructuring and redirection. Could you speak about the steps you are taking, in addition to those that you just mentioned, that are ultimately intended to restructure, redirect and revamp the magazine.

Byrne: Generally, what I wanted to do with the magazine is give it a slightly different personality. I use four adjectives to describe its personality. It’s provocative, edgy, sophisticated and irreverent. We are still primarily a service magazine, a magazine that delivers ideas and actionable takeaways for readers to help them work smarter or be better. Ultimately, that’s what we do. In a way, I think of *Fast Company* as a more accessible *Harvard Business Review*, less academic and more people-oriented.

A year ago, one of the things I tried to do in the service of that personality was to highlight the more provocative pieces on the cover. By their nature, a lot of the provocative pieces have not necessarily been service [articles]. So I think to some extent the positioning of the magazine isn’t as clear as it once was. I’m not so sure that was a mistake, but I do think it was done to get more buzz, get more attention, and get us back on the radar screen with just good, hard-hitting journalism. Now, those stories will still have a very important part in *Fast Company*, but I think I want to increasingly lead with the service stuff because that’s what we were known for. If you think of the cover not as a place to put your best story, but instead a place where you nurture and cultivate your brand image, that’s the way to go. In other words, increasingly you’re going to see more service stuff on the cover than you have in the last eight months.

Useem: Can you explain what you have in mind when you use the word ‘service’ or the focus on ‘service’?

Byrne: Sure. Basically, these are stories that immediately convey lessons to readers, but lessons that are quite sophisticated. In a way, they’re case studies on leadership, strategy, innovation and creativity.

I’ll give you a few examples. Our next cover [the May issue] is on [CEO] David Neeleman of JetBlue Airways, the New York-based low-fare carrier. Why? This summer that company will pass \$1 billion in revenues. And we know the classic dilemma that every entrepreneur faces when the organization gets to a

level at which there's a scale issue. The question is, 'Can the entrepreneur or the organization scale up or not?' This story explores the question, 'What have Neeleman and his leadership team done to help the organization reach the next level of growth without a hiccup?'

We had a writer go to JetBlue and spend time with Neeleman and his senior team. Instead of doing a story about increasing competition from other airlines, or what will the stock price do, or will he meet Wall Street's expectations, our story is based on learning. It's about, 'What has Neeleman done to prepare that company to hit \$5 billion in revenues? What systems has he put in place in terms of leadership training, in terms of technology, and what kind of people has he put around him to enable that to happen, so that there is no disaster?' Then there are two sidebars: One that distills the lessons of the story for the reader, and one that basically says, 'OK, over the course of my career here's what I, Neeleman, have learned.'

Another piece we're doing is about Pfizer. Pfizer has the largest R&D facilities of any company in the world, and it spends more on R&D and has [more] scientists employed in research than any company, including IBM and Microsoft. We wanted to go into one single lab -- the largest that Pfizer has -- and explore the topic of failure, because here is where people can work for their entire lives and not have anything to show for it. How do you motivate people against improbable, impossible odds who ultimately are failing every day of their lives, because success is so elusive in that business? This story will explore how a leader leads against impossible odds. You have people who have worked for 35 years, and they have very little to show for it. And yet these people come to work and they're fully charged and motivated. How does it happen?'

Our stories involve going to real situations and extracting lessons that transcend that one industry. So the JetBlue story isn't a story about the airline industry; it's a story about how entrepreneurs scale up an organization for further growth. And the Pfizer story isn't a story about pharmaceuticals; in fact, it's a story about how you keep people going, moving, passionate about what they do in the face of remarkable failure. That's the kind of sophisticated service we are trying to deliver to the reader.

Useem: Speaking of creativity, let's take those two topics. Did you come up with those? Were those from your editorial staff?

Byrne: The JetBlue story was hatched by one of my editors and shaped by me and him. The Pfizer story was brought to me by one of my writers, though I helped shape it.

Useem: John, a very personal question: What led you to decide to leave *BusinessWeek* and take the job at *Fast Company*?

Byrne: This was a great opportunity. I never really wanted to be an editor because all my life I've been a reporter and a writer and I loved it. And when I was at *BusinessWeek* for nearly 18 years and *Forbes* before that for four years and Fairchild [Publications] for five years, I always thought that I had one of the best jobs in the world. Part of that was just going out and interviewing and living in the skin of people whom I interviewed, and vicariously experiencing their lives without having to take the risks that they were assuming. But when the chance came to actually run my own show and run *Fast Company*, I thought about it and I said, 'You know, I've been writing about this stuff all my life. I think it would be great, really great, to try to run my own organization and do something special here.'

When *Fast Company* was launched nine years ago, Bill and Alan, the founding editors, came to me

before the magazine was a reality and they only had a prototype in their hands and they were looking for money and staff ... and they asked me to join. I seriously considered it at the time. I just thought it was a fabulous idea. Ultimately, I didn't go for a couple of different reasons. So when they came back to me when they were ready to leave, almost eight years later, I admired what they had achieved. I realized that since the bubble burst, they were in trouble, and I just wanted to do something different and help them out.

Useem: As you think back on the many people you have profiled in books and in magazine articles, are there one or two of those executives or managers who stood out in your mind in helping you think through what you would do if you did become editor-in-chief of *Fast Company*?

Byrne: I think Roy Vagelos at Merck, about whom I wrote a cover story, was the quintessential leader of that company when it was in its heyday. Here's why: Because he had a scientific background, he knew intimately what that company was all about ... and he used his scientific expertise to great advantage. He was a true consensus leader as well, which I am.

Now, obviously, Jack [Welch] is an incredible leader. There were lots of things that Jack taught me; [one was] to be very decisive because a bad decision is better than no decision. I think what Jack did throughout his life is very instructive for any leader, which is this: He made sure that he got the maximum number of at-bats. He was at GE when it was a true bureaucracy and he was plodding his way through that bureaucracy. He probably made 10 decisions, 20 decisions, for every one that a typical GE manager made. I think this is so essential. That bias for action -- to immediately decide what to do and how to do it, even when you're not comfortable with the decision -- is extremely important. In small organizations, I think that's even more important than big organizations in some cases because your hands are involved in a lot more things. If you don't make decisions quickly, nothing ever happens. That's one key thing.

The other key thing is to be blunt and honest about how you feel without regard to how your decisions affect people. In other words, you can't be timid about making someone unhappy or mad. That's your job, to get things done. For a consistent manager, the toughest thing is to be tough. I've done some research on this. People who are more confrontational, it's easier for them to be managers and leaders because it's easier to tone it down than tone it up. For me, I'm toning it up. It's hard. It's harder to tone it up into being more deliberately confrontational. But you have to be. If you aren't, you're not going to have any results.

Knowledge@Wharton: John, you said that you spent some time initially hiring a senior team and some good people, writers and editors. How did that work out? And are there any decisions that you've regretted? Have you had to make even more changes? What kind of staff do you have around you?

Byrne: I've learned so much in the last nine months it's just remarkable. I'll give you an example. When I first came in, my first impulse was to hire against my weaknesses. Because I was never really an editor, I wanted to hire someone who I knew would be a terrific line editor, for example, and who could write terrific headlines and cover language, because I had never done that. And because I'm not by nature confrontational, I wanted to hire someone close to me who was that way, who would get the trains to run on time.

Ultimately, what I figured out is that you never hire to cover your weaknesses; you hire to leverage your strengths. Because I'm more naturally communicative, because I'm more naturally a people person and because I think people more naturally overestimate their weaknesses -- if they're self-aware at least --

then what happens, if you hire for your weaknesses, you only compound your weaknesses because you don't get better. You rely on other people to do that for you.

Knowledge@Wharton: Let's talk about *Fast Company's* editorial direction. How consistent have you needed to be with the magazine's original orientation? And to the degree that you have changed that, have you built upon your original audience, or have you had make decisions that may have lost you some of that audience?

Byrne: That's a very good question because, ultimately, one of the key issues in making radical change is, 'Do you disenfranchise your core audience?' We've certainly run a lot of stories that would never have run in the old *Fast Company*. That said, however, what I tried to do is make sure that every issue contains enough service journalism to satisfy the core audience and not completely disenfranchise it. In general our readers are quite happy. But, obviously, we've had some people who are disgruntled and disenchanted by the changes.

Among the changes was the change in personality. The magazine had a very cheerful disposition; it was extremely positive, and it rarely, if ever, did negative stories or stories about failure or disappointment, where there wasn't triumph in the end. I felt that that's not the real world. People, frankly, learn much more from failure than they do from success, and the lessons that come from a disaster are inherently more interesting than those that come from success. So we've done a lot of stories that I guess some people might consider negative in nature.

We've also done stories that don't have an obvious takeaway. We recently did a cover story on off-shoring. Everyone's written about off-shoring but very few have approached the story from the vantage point of the person who is displaced. I felt I wanted to get on the ground. I don't want to do macro stories from 35,000 feet in the air because people don't live in a macroeconomic world. They live in a microeconomic world, and I believe I've always practiced that in journalism. So my way to make this story more intimate, more personal and different, was to find people who were displaced, to get their pictures, interview them and plaster their photographs on the front cover in a very dramatic and compelling display. That's what we did. But that story never would have run in the old *Fast Company*. I've had readers who said to me, 'This isn't *Fast Company*. What happened to *Fast Company*?'

Let me give you a sense of how we're doing in terms of editorial vitality. In the last six months of last year, newsstand sales were up 6%. That's after two years of severe declines in newsstand sales. In the last quarter of last year, which is the latest quarter available, our subscriptions by insert cards in the magazine were up by 44%. Our subscriptions on the Internet were up by 34%. In terms of reader engagement, we are getting hundreds and hundreds of letters for every cover story we do. On the Wal-Mart cover we had more than 800 letters. On the Steve Jobs cover we had more than 500. On the cover on women we had over 200. Before that, we were averaging something like 10 to 12 letters or e-mails per cover.

In terms of media impressions – meaning how often other media pick our stories up and report on them or about them – they are at record levels right now, I think, because of that personality change: to be provocative, edgy, irreverent, and sophisticated. We're getting better reader engagement and more involvement. We're making people think more deeply about what they do.

Knowledge@Wharton: How about ad sales? Are they rising?

Byrne: That's the laggard.

Knowledge@Wharton: To put things in perspective, when Zuckerman sold *Fast Company* to Gruner + Jahr, a fairly steep price was paid for it.

Byrne: A huge price. I believe it was the second largest ever paid for a magazine.

Knowledge@Wharton: When a company pays such a high price, that sets certain revenue expectations, and the advertising market has been abysmal. How have you managed on the advertising side?

Byrne: Unfortunately, there has not been an upturn in the business magazines for advertising. If you look at *Fortune*, *Forbes* or *BusinessWeek*, it's pretty flat. I think the downturn may be over, but it's not going up yet. I've gotten a little waylaid here because that occurred before I got to *Fast Company*. Not that any company would be tolerant of this if it continued year after year after year, but because advertising had been in decline for two-and-a-half years before I got here, I have a little more leeway about it.

Not only that, but bringing in ads is mostly a publisher's job. I've been very much involved in the sense that I've had to go out on the road and meet with advertisers and advertising agencies, describe why we're changing the magazine, how we're changing it, and why this is a good idea. I have done that frequently since I've joined *Fast Company*. In fact, I've met with 60 advertisers and agencies since I joined the magazine to give the new vision, the new mission and how we're going to execute on it and why. And all I've heard is positive comments. While that has not yet materialized in an upturn in advertising, we're seeing increased proposals, requests for proposals, and we're hopeful that will happen. But so far, it hasn't.

Useem: It sounds like you are having the time of your life and you haven't looked back. Is that correct?

Byrne: That is totally true. I haven't had this much fun since I was editor of my college weekly. It's puzzling because I never wanted to be an editor. I can't wait to get to work. Twelve hours go by and I'm looking at the watch saying, "Where did the day go?"

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