



## A Message from Professor Jonathan Knee, Director of the CBS Media Program



The Media Program has made significant progress in recent years in cementing its position as a thought leader in the sector. The recent publication of "The Curse of the Mogul", based on a popular business school class, brought national attention to our work. More broadly, we are particularly excited about our progress in reinforcing the ties between both New York's leading media companies and our media alumni and the school. The recent appointment of John Martin, Time Warner's CFO and a CBS alumnus, to our Board of Overseers reflects these trends. Dan Rosensweig's appointment as an Executive in Residence reflects our growing focus on the impact of digital media in the sector. Please let us know any suggestions you may have to keep this momentum going.

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## A Note from MMA Co-Presidents Andrew Hotz & Garen Thomas

We are excited to present the first Columbia Business School Media Management Association newsletter of the 2009-2010 academic year. In addition to redesigning our logo and re-launching our Web site, making it user friendlier, more visually appealing, and the centerpiece of our organization's outreach. Our full board is finally in place and we've hit the ground running. Check out page 4 for a full list of plans, but as you will see, this is shaping up to be an exceptional semester and year for the MMA. We hope this summary of our plans and goals is as exciting to you as it is to us. Thanks for your continued support and enthusiasm for the group. We look forward to keeping you in the know and connecting with you again in the near future!



Andrew & Garen

Check Out the New mm@ Web site!

<http://www0.gsb.columbia.edu/students/organizations/mma/index.html>

## CBS' Newest Executive In Residence: Dan Rosensweig

**Dan Rosensweig is President and CEO of Guitar Hero/Red Octane,  
& Executive in Residence at Columbia Business School**



**Interviewer: You've spent the last decade in senior leadership positions in Silicon Valley, what have been some of your formative experiences?**

DR: During my career, I have found Silicon Valley to be the hub of innovation and the true merger point of technology and business. When I think about my most formative experiences, I like to focus on the lessons I've learned – the things that have really stayed with me. One thing that I've learned is that the consumer really is in charge and we need to build our models around them and not us. Every time you put a box around something, every time you erect some sort of artificial barrier, people will find a way around it.

Another piece of advice I always give is to bet on the inevitable. If you're going to bet your career or your money on a company or industry, think about what's going to happen, not what's happening now. When you're working with a team to try to build or sustain a business, it's like being in a canoe – you had better make sure you know who you're in the canoe with, because things will get rough. Also, most importantly, make sure you're in a canoe that is headed with the current. Many businesses in the media space, from print, to broadcasting, to paid video services, are choosing to move against the current. These companies are too focused on where things are and not where they are going.

**Interviewer: What trends do you see currently that will redefine the of the media/technology landscape?**

DR: The biggest trend affecting the media and technology industries is the fragmentation of information and entertainment. Across all sectors, from film to TV to video games, there will continue to be blockbusters such as Avatar, American Idol, and Call of Duty. Previously, the average consumer would spend a disproportionate amount of time with only a few media properties. Now, with the explosion of content available, the consumer is free to pick and choose amongst many different media selections. Today, people always have a device, it's always on, it's always connected, and it can serve up a wide variety of content. We need to build business models that anticipate this.

**Interviewer: What has been your greatest challenge since taking over at Guitar Hero?**

DR: By far the greatest challenge I've faced in my current role has been the economic headwinds. The fact of the matter is that all of the markets we operate in are being challenged. The retail industry in particular is facing substantial difficulties and this Holiday Season promises to be challenging as well. This year, for example, Wal-Mart is starting their black Friday promotions the weekend before Thanksgiving. The model for multi tiered distribution is changing rapidly and it is particularly difficult to make decisions about balancing your strategy and picking your market positions.

**Interviewer: Do you have any advice for CBS students and alumni who are working or aspire to work in media/technology? How can we best leverage the MBA skill set in the current challenging environment?**

DR: Always work on things you're passionate about and do it with a team that you're passionate about working with. After meeting with many of the students at Columbia, some of their greatest skills have become very apparent to me. We came from a world where people with specific skill sets did exceptionally well. Now, every industry is being challenged and we need people who are very smart and ask the right questions. The students I've met at Columbia are these types of individuals, they are not burdened by historical models or traditions. They can change quickly and live in the gray area. This is a generation that has grown up with the internet and watched as innovations from broadband to social networking have taken root. My advice is to use this experience and this working knowledge of the new media landscape to your advantage as you start to think about your future careers.

**Jeremy Kagan '99 is VP Global Account Management, Global Digital Business, Sony Music, & Adjunct Professor of Marketing at Columbia Business School**

**Interviewer: What is the purpose of master classes and how do they apply to MBA students interested in media?**

JK: The master class I teach is called Creating, Distributing, and Marketing Media in the Digital Age and we focus on real world challenges for both old media and new media companies. As part of the class, students get a chance to actually work on media projects that are very similar to what they will be doing when they graduate from business school and get their first job. My classes get to interact with senior level executives and get a real high level view of the challenges that these companies face. When it comes to recruiting and interviewing, these experiences also give students something to speak to.



As a professor, these classes have also proven to be challenging for me. You have to manage both the clients and the student teams – there's a balance you walk between directing the project and letting the students learn.

**Interviewer: What are some of the companies/projects that the teams are working on?**

JK: My current class is working on projects for Sony Music, NBC Universal, El Diario, Thrillist, and Time Inc's Maghound. Each of these projects focuses either on an old media company that is working in new media space or an existing new media company that is a potential challenger to a traditional model. In each case, the student teams are dealing with a disruptive technology such as digital distribution or mobile and they have to come back to the client with an answer to the question: Where do we go from here?

**Interviewer: What are the primary challenges you see in the media industry today and how is Columbia working to prepare students?**

JK: The primary challenges that the media industry are facing today are the severe disruption of distribution models, changes in pricing strategies, and the elimination of the barriers to entry to the industry. Every media company has to determine how they are going to create, price, distribute and market their material in the new media world. I feel that Columbia is doing a great job of working with MBA students to grow the tools to think about these problems strategically and develop an effective framework for determining the optimal course of action.

**Interviewer: Are there any areas where you see a lot of opportunity in media?**

JK: I see a lot of opportunity across the board in digital media. Essentially the switch to digital distribution is hitting every sector of old media and creating new opportunities. Publishing, music, film, and TV are all sectors that require new thinking and fresh ideas. There is also incredible growth in video online, mobile, and local services. MBA's who can use their skills to link together good ideas with sustainable business models will be essential to growth and survival in each of these areas.

**Interviewer: What have you been up to since graduating from Columbia and how has your MBA been helpful?**

JK: Since graduating from CBS, I've spent a lot of time working in digital media in a variety of sectors. During my career, I have found a wide range of skills in my MBA toolkit to be very useful. Since beginning my job at Sony Music, for example, I have worked extensively assessing models for our digital side and focusing on new pricing strategies and the incorporation of distribution technologies. The key to being effective in this role has been my ability to dispassionately look at the data and say that this is the way it was and this is the way it's going to be.

**Interviewer's Note:** Professor Kagan hosts a Digital Media MBA Happy Hour every month in New York City. For more information, please see his Web site <http://www.digitalmediamba.com/>

## **SPEAKERS**

Our VPs, Gillian Ryan and Robert Schneider, and AVPs Peter Enestrom and Teddy Flanagan are in the process of lining up really impressive speakers, including founder and CEO Jeff Gomez of Starlight Runner Entertainment and COO Sheryl Sandberg of Facebook. We have also had some impressive names for our mentoring breakfasts including Stephen Duggan, former CEO Alpha Media Group, Charlie Collier '98, President & GM AMC, Ninan Chacko, CEO PR Newswire and Sean Sullivan '98 CFO HIT Entertainment.

## **CAREERS & EDUCATION**

Lauren Frasca, the VP, and AVPs Eliza Howard and Katie Robinson are getting our Executive Mentoring program up and running. In addition, they will soon be distributing our 1st and 2nd Year Resume Books that corporations can consult to fill their hiring needs.

## **ALUMNI & EXTERNAL RELATIONS**

James Wynne, the VP, and AVP Robert Yacyshyn are launching Wine & Dine with Alumni (also known as WADWA), which will allow our members to reach out to alums and treat them to dinner or drinks on us!

## **MEMBERSHIP, FINANCE & TECHNOLOGY**

Our VP, Doug Martin, and AVP Jared Stone are keeping the new and improved MMA Web site up to date and running smoothly while helping to budget for upcoming events.

## **SOCIAL EVENTS**

Charles Battle, the VP, and AVP Jenny Huang are organizing a book talk and signing with the head of the Media Program, Jonathan Knee, and the Academic Director of the Heilbrunn Center for Graham & Dodd Investing, Bruce Greenwald, who wrote the book *The Curse of the Mogul: What's Wrong with the World's Leading Media Companies*. Charles and Jenny are also planning mixers with NYU Stern, Tisch Film School, and Columbia's Film school.

## **MMA CONFERENCE**

The MMA Conference is creeping up on us, and our VPs Ginny Yang, Selena Hsu, and Jason Feuerstein, along with AVPs Liz Maples, Angelique Barker, and Melanie Shanley are working diligently with NYU Stern to get amazing speakers lined up. The event will be held at NYU this year on February 26, 2010 and we're on track to make this year's conference as exciting, beneficial, and noteworthy as last year's. (Stay tuned!)

## **CORPORATE VISITS**

Susan Goodman, the VP (East Coast) and AVPs Lisa Becker and Samantha Solmonson are finalizing visits with New York City companies, including Bloomberg Television and Time Inc.. In addition, Susan, Lisa, and Samantha will soon be kicking off Casual Fridays, which will allow our members to "come as you are" to different companies and meet employees in a less formal setting.

Finally, Omari Jinaki, the VP (West Coast), and AVPs Derby Anderson, Sam Sible, and Howie Stein are planning our annual trip to Los Angeles which will take place on January 5-7, 2010. Companies we'll be visiting include Disney, 20th Century Fox, and Warner Brothers. In addition, they are organizing the alumni network event with CBS grads on the West Coast.

### John Martin '94 is CFO of Time Warner



**Interviewer: The media landscape continues to evolve at a very rapid pace. How is Time Warner positioning itself to deal with new challenges?**

JM: We are continually trying to improve, but think we are currently very well positioned for changes in consumer behavior and technology. As media consumption fragments, perhaps contrary to conventional wisdom, we see big hits and big brands becoming even more important. That's because we are seeing consumption polarize as consumers migrate to the "long tail" of niche content, but also to the biggest hits and brands at the "head" – mediocre content in the middle is losing share.

It is extremely hard to monetize the tail. When you look marketing and distributing long tail content through platforms such as YouTube, Facebook, MySpace, and Twitter, even with massive scale, it is still very hard to monetize. So, as consumption is polarizing between "tail" and "head" the vast majority of value is shifting to the head. As a premier content company, Time Warner is organized around the head across our various business lines. On the motion picture side, we are making fewer films at Warner Brothers. At WBTV our structural focus is on the biggest hits and talent. Similarly, when it comes to networks we have a few must have channels including CNN, TNT, TBS, and HBO. At Time Inc, we are focusing on a few big titles.

We have scale, brands, and talent that together form a virtuous circle which gives us structural advantages in consistently making great content and best monetizing the content we make. We think our position in the value chain will provide us with influence over how new business models evolve. We strive, whenever possible, to make additive, not cannibalistic changes to our business model with projects such as TV Everywhere, digital distribution for film, and our move into the distribution of publishing assets on ereaders..

**Interviewer: Is there anything at TW that you are excited about for the upcoming year?**

JM: I am most excited about completing the AOL separation so that TW will be able to focus on our core competencies in content. We have some great content on tap for the next twelve months. On the film side, we have *Sherlock Holmes* coming out this Christmas and part one of *Harry Potter and the Deathly Hallows* coming out next year. At HBO, an already strong programming lineup is looking even better with the addition of Steven Spielberg and Tom Hanks' *The Pacific*, their follow-up to *Band of Brothers*, and Martin Scorsese's *Boardwalk Empire*. Also, Turner just launched *Lopez Tonight* on TBS and is adding *Southland* to TNT in January. On the publishing side, Time Inc. is looking at some really innovative ways to get its industry-leading titles to consumers through new platforms.

**Interviewer: Can you tell us about the decisions and underlying strategy behind spinning off Time Warner Cable and AOL?**

JM: In the current business environment, we think that it is increasingly important, if not critical, to focus on core competencies. At TW, our core competency is creating, branding, marketing, packaging and distributing content. These structural changes will allow us to focus to an even greater degree on our core strengths. As a management team, we have been trying to increase the focus of the company in an effort to drive even better operating performance, higher returns on capital and ultimately higher returns for our shareholders.

In case of cable, the premise underlying the combination -- that a media company benefited from captive multichannel distribution -- became less valid. At same time, we believe that these transactions put Time Warner Cable and AOL in the best position to be successful in their respective businesses. It increases their focus on core strengths and each now has a capital structure and investor base that fits their cash generation and growth profiles.

### **ABOUT CITI**

Founded in 1983, the Columbia Institute for Tele-Information (<http://www.citi.columbia.edu/>) is the first research center for communications economics, management, and policy established at a US business school. In 2000, the Sloan Foundation selected the institute as its academic center for industry research in this field. We've published more than 65 books and over 1,000 articles on media and communications subjects, and held many dozens of conferences bringing together leaders from the industry, finance, academia, and government. CITI's recent conferences include:

- **The State of Telecom: National Broadband Plans**, Columbia University, October 23, 2009
- **DTV Transition**, Columbia University, October 2, 2009
- **Wireless Internet Caucus 2009, Mobile Advertising Forum**, Columbia University, July 8, 2009

### **COURSES**

- **Media and Information Management** (B8210, Noam) covers media companies from a functional perspective, as applied to several media: media financing; media accounting; media marketing; content production; media strategy; intellectual asset management. Spring 2010, Wednesdays 9:00am-12:15pm.
- **International Media** (B8599-007, Noam) is organized around industries such as film, TV, cable; broadband internet; publishing and e-publishing, newspapers, telecom, mobile networks, e-commerce, next-generation content; all in an international context. Spring 2010, Wednesdays 2:15pm-5:30pm.
- **Developing Strategies for High Tech Firms** (B8599-008, Katz) explores strategy development and implementation, with a specific focus on international high technology industries (e.g., telecommunications, content distribution, software, electronics and semiconductors). The seminar examines the specific features of strategic management as related to international high technology firms, followed by in-depth focus on critical issues. Spring 2010.

**Master Class in Communications, Internet and Media** (B8599, Noam, Atkinson, Katz). In this course, student teams will act as consultants to client companies in the telecommunications, internet and media industries. The consulting projects will address real problems and opportunities facing the companies and will involve hands-on interaction with the management of the companies. Throughout the course, classes will also include analyses of notable success and failure stories, with the participation of guest who are high-level insiders in the telecom/internet/media industries. Fall 2010.

### **ABOUT THE DIRECTOR**

**Eli Noam** is the Director of the Columbia Institute for Tele-Information and has been Professor of Economics and Finance at the Columbia Business School since 1976. In 1990, after having served for three years as Commissioner with the New York State Public Service Commission, he returned to Columbia.

Besides the over 400 articles in economics, legal, communications, and other journals that Professor Noam has written on subjects such as communications, information, public choice, public finance, and general regulation, he has also authored, edited, and co-edited 28 books. Noam has served on the editorial boards of Columbia University Press as well as of a dozen academic journals, and on corporate and non-profit boards. He is a regular columnist on the new economy for the Financial Times online.

He served on advisory boards for the Federal governments FTS-2000 telecommunications network, the IRS's computer system reorganization, the National Computer Systems Laboratory, and of the National Research Council. He is a member of the Council for Foreign Relations, and a fellow of the World Economic Forum. He received AB, AM, PhD (Economics) and JD degrees, all from Harvard. He was awarded honorary doctorates from the University of Munich (2006) and the University of Marseilles (2008).

## Jason Feuerstein: Union Bank



This past summer, I worked in the entertainment finance group at Union Bank in Los Angeles. I found the job through a combination of CBS and personal relationships. The financier of a film I had worked on before school put me in touch with a member of the group, as well as a CBS alum working in entertainment finance in New York who I had met months earlier.

Union's entertainment finance group is a senior lender and focuses on motion picture clients. They also have done some work in sports stadium and TV finance, but film clients are the bulk of their business and they are what I worked on this summer.

Very quickly, Union integrated me into their day-to-day work flow including: housekeeping on existing loans in the portfolio, information gathering and inter-bank memos and requests. The bulk of my time during the summer though was spent on two projects: a single picture loan for two of the group's biggest clients and a 3-year production facility for a mini-major studio. On the single picture loan, I was able to interact with senior level clients, and I was fortunate for the deal to close during my internship. My work on the production facility was internally focused. I worked with a senior banker on the credit analysis for the facility and was able to attend the internal credit committee meeting and see how the bank evaluated risks of the deal.

As an entry to entertainment finance – I had previously been on the production/ development side of the business – banking was a great way for me to soak up a lot of new information. You see virtually every deal in the marketplace in a place like Union and I was encouraged to read up proposals past and present. The entertainment finance group at Union was quite small and welcoming, which afforded me great access to the most senior members of the team.

Overall, it was invaluable experience.

## From the Editor's Desk

We hope you are enjoying the first Alumni Newsletter of the year! As you can tell from all of our articles, both the Media Program and the MMA have great things going on this semester. For all of the latest updates, check out both institution's Web sites for information about what we have going on. Also, if you haven't updated your contact information recently, please reach out to the Alumni Association and do so.

Thanks - James & Rob

Media Program Web site: <http://www.gsb.columbia.edu/media/>

MMA Web site:

<http://www0.gsb.columbia.edu/students/organizations/mma/index.html>

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