

Richard Beckman, Mini-Mogul

Once a hard-charging Condé Nast publishing lord, the man they call Mad Dog is trying to recapture his glory by pouring cash into a chain of struggling trade magazines.
By Andrew Goldman. Photograph by Marco Grob

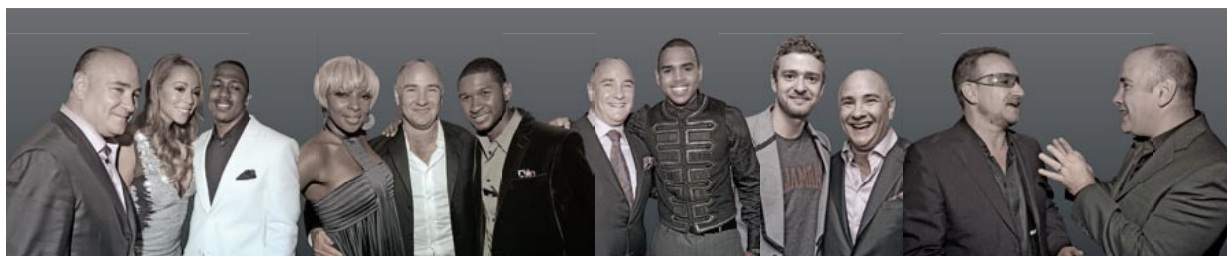
Richard Beckman says he's not particularly fond of Mad Dog, a nickname he earned as a sales executive at Condé Nast, the magazine publisher where he spent 24 years. He finds it demeaning, and says it is belied by the fact that he is actually shy and quiet. In several meetings, he does display an almost theatrical delicacy in the way he speaks and gestures, rotating his wrists in the florid manner of a magician. But there is a note of canine aggression in his voice when he calls from Aspen on Friday, Mar. 18. He is supposed to be on vacation, skiing with his family, but instead he's spent the day in crisis mode, his ear attached to his cell phone talking to his editors, magazine publishers, and his company's publicist. The *New York Post* has just printed a story declaring that investors in Beckman's one-year-old company, Prometheus Global Media, which owns *The Hollywood Reporter*, *Adweek*, *Billboard*, and other trade magazines, are scrambling to get out of their investment. For a man trying to reinvent an Old Media business, the last thing you want to read is that when your company forked over \$70 million for eight publications in 2009, it "overpaid"—even when it's coming from an unnamed source in a newspaper that isn't necessarily known for its accuracy. Since Beckman and the investment partners issued firm public denials to the *Post*, who could the source possibly be? "I have no idea," he says, "but I'd love to wring their neck if I could find out."

The English-born Beckman is an archetype from a period that may never return, if it ever really existed: a salesman

who made money fall from the sky during glossy magazines' heyday, accustomed to living high and celebrating his rough edges, if not his nickname. For decades he was among those responsible for turning magazines such as *Vanity Fair*, *GQ*, and *Vogue* into cash machines for Condé Nast, which publishes those titles and a long list of others. Now, Beckman has moved on from that magazine empire's glamorous Times Square cocoon of Town Cars and expense accounts and spends his days in far more modest offices downtown. (After suffering through a brutal ad recession, Condé Nast has moved on, too.) With Prometheus, Beckman is trying to repeat his success within the least glamorous sector of publishing—trade magazines—at a time when print has practically been given up for dead in some quarters. Not only is \$70 million of other people's money at stake; so, it seems, is Beckman's reputation and the sense that he can be a successful visionary on his own.

"I really want to make a mark, but don't feel I have to the degree that I'd like to," he says. "I can look at myself and know I'm a good person, but there are things I'd like to achieve that I haven't yet." He has been bruised by stories like one particularly nasty column that ran in *The New York Observer* last year, which posited that he was an "irrelevant" figure at Condé Nast whose departure prompted "parties in the hallways," and by more recent blog posts suggesting his new venture is hemorrhaging money. For someone who's been called a bully, Beckman has a surprisingly fragile ego. "I couldn't bring myself to read it," he says of the *Observer* piece. "I was so upset."





Beckman and Friends ... Mariah Carey and Nick Cannon; Mary J. Blige and Usher; Chris Brown; Justin Timberlake; Bono

"I'm a fierce competitor," he continues. "I can tell you, no matter how many caustic articles that they write about me or my team or these businesses, that we will prevail and it will be at their expense."

B-to-I," Beckman says with a twinkle-eyed smile. "I should have trademarked that." Beckman is in full salesman mode. Rather than running a business that primarily services consumers, such as *Vanity Fair*, or a media business that services another business, such as *Variety*, Beckman claims he's invented a new category of audience. "Business-to-influencer means your product is talking to not just the industry but also to that top-of-the-pyramid consumer who follows those industries," he says. It's a pitch he's promoting in a highly produced video for potential advertisers, featuring actors and movie producers whose names I must promise not to disclose, who wax on about the massive cultural influence of Hollywood and how *The Hollywood Reporter* is synonymous with that influence.

The B-to-I pitch is meant to entice consumer advertisers that otherwise would never consider buying ads in such a low-circulation publication. After Prometheus bought *The Hollywood Reporter*, paid circulation of the daily was reported by BPA Worldwide to be just over 12,000. Since relaunching it as a weekly, Beckman says circulation is 72,000, but he refuses to disclose the breakdown of paid vs. free subscriptions. These 72,000 people—the influencers—are pretty much the best 72,000 people any advertiser could dream of reaching, he says. While most of Beckman's energy has been focused on *The Hollywood Reporter* thus far, he hopes to apply his approach to Prometheus's other publications as well.

Printers' ink runs through the veins of all four men who in 2009 sought to buy *The Hollywood Reporter* and seven other barely profitable publications, including *Billboard*, *Adweek*, *Brandweek*, and *Mediaweek*, from Nielsen. The deal's mastermind was James "Jimmy" Finkelstein, the chairman of News Communications, which owns the paid biographical listing service Marquis Who's Who. Finkelstein also owns the Washington-based political paper *The Hill*, begun by his father, Jerry, who also owned *The New York Law Journal*. Jimmy Finkelstein is also chairman of Pluribus Capital, which he formed in 2009 to buy media properties.

Joining Finkelstein at Pluribus was George Green, a former chief executive officer of *The New Yorker* and long-time president of Hearst Magazines International. The third member of the Pluribus troika, Matthew Doull, started his career as a cub reporter at London's *Telegraph*, owned at the time by his step-uncle, the fallen media baron Conrad Black.

Doull eventually joined the business side of Black's company running its investing arm, Hollinger Capital. In mid-2009, Finkelstein discovered that Nielsen was interested in selling its business media properties in advance of an initial public offering. Along with Green and Doull, he prepared to make an offer. In addition, a critical member of the team was Lachlan Murdoch, the eldest son of Rupert. After leaving his father's company, News Corp., in 2005, Murdoch had founded Illyria, a private equity firm that invested almost exclusively in Australian media companies. According to a person familiar with the negotiations, Murdoch and Finkelstein's Pluribus were planning to share the burden of financing the \$70 million price tag equally. Murdoch did not respond to requests for comment.

Beckman, meanwhile, was plotting his departure from Condé Nast. He had recently become president of its Fairchild Fashion Group division, a \$75 million unit that included fashion magazine *W*, as well as trade magazines such as *Women's Wear Daily* and *Footwear News*. It had been underperforming, and Beckman's assignment was seen as a mandate to fix a broken business. He also began having discussions with Todd Boehly, managing partner of investment firm Guggenheim Partners, which has been headed by former Bear Stearns CEO Alan Schwartz since 2009. Beckman and Boehly hatched a plan to buy Fairchild from Condé Nast Chairman Si Newhouse, but Newhouse wasn't interested in parting with the company for an amount that wouldn't come close to the \$650 million he'd paid to buy it from Disney a decade earlier.

In late 2009, not long after those discussions fell apart, Murdoch backed out of the Nielsen purchase. Beckman, who says he and Boehly had been looking at Nielsen independently, heard that Finkelstein's team was interested, too. Pluribus had a deal in place but needed money, and Guggenheim had billions and wanted media properties. "I brokered that marriage a little bit," Beckman says. In December 2009 it became official.

As much as Beckman likes to say he wishes he'd trademarked B-to-I, influencer is a well-traveled marketing buzzword. Beckman unveiled his version at a big presentation to Fairchild's staff, where he laid out how the company would be retooling its products beyond business-to-business and into a realm where influencers who loved fashion would be targeted alongside people wheeling clothing racks through the garment district. It was a slick pitch, but one that seemed oddly out of sync for most of Fairchild's titles.

Of course, Beckman's Fairchild plans proved moot. He left to become the head of Prometheus, which was initially called e5 Global Media. In May 2010 he shocked the reces-



... Carlos Santana; Alicia Keys; Jennifer Lopez; Fergie and Josh Duhamel

sion-battered media industry when he announced that he'd hired Janice Min, who had made a seven-figure salary in her previous job as editor of *Us Weekly*, to be the editorial director of *The Hollywood Reporter*. Min would be turning the *Reporter* into a weekly, and Beckman proclaimed he would lure beauty, fashion, consumer electronics, and liquor ads into the publication for the first time. The design firm Razorfish was brought in to revamp the website. The staff of 45 grew to 65.

Then Beckman approached *Vanity Fair* columnist Michael Wolff about taking over *Adweek*. While most magazines were laying people off in droves, Beckman was spending like it was 1999. "I said, 'I don't think you can afford me, Richard,'" Wolff recalls. "And it turned out that he could afford me. He offered that ineffable combination of flattery and money." Beckman told Wolff he wanted to invest in a thorough overhauling of *Adweek*, which had been making about \$2 million a year, according to a member of its previous management. (Beckman evidently overlooked the fact that his new editor is also the author of *Burn Rate: How I Survived the Gold Rush Years of the Internet*, an account of reckless venture capital spending in the 1990s—including his own.)

Adweek will relaunch later this month with a bulked-up staff. The business model it will emulate is that of Politico, a privately-owned product that is primarily known for the political news it breaks on its website, but believed to be profitable because of its small-circulation daily print version, which is full of expensive ads from lobbyists and other companies that hope to reach the influential Washingtonians who receive it. Wolff hopes *Adweek.com* will become the go-to site for media news and that the extensive reporting manpower required will be paid for by ads in a much smaller-circulation weekly magazine (which, unlike Politico, which is distributed free, costs \$299 for print and digital access, according to its website).

As well as making big hires, Beckman made a few formidable enemies. Before Beckman settled on Min, Doull approached Sharon Waxman, editor of the website TheWrap, about *The Hollywood Reporter* job. Boehly also conducted extensive talks about the position with Nikki Finke, the famously reclusive and feared editor of DeadlineHollywood, a movie industry site. In March, news that Finke had been offered the job made it onto Waxman's website. Most people in Hollywood do their best to avoid Finke's wrath. Beckman, however, chose to issue a statement that there was "no truth to the report" of the job offer. On her blog, Finke said she'd been offered a \$450,000 salary, an estimated \$650,000 a year for a share of anticipated cable TV deals, and a \$1 million Malibu condo. Boehly doesn't deny

that such a conversation took place but parses the meaning of the word "offer." "When you're in the deal business like I am, an offer is very formal and very rigid," he says, adding, "When you're in kindergarten and you're trying to make friends with someone and someone asks you, 'Can you help me with my homework assignment' and you say, 'O.K., I'll consider it,' is that an offer?" Finke declined to comment for the record.

After angering his new industry's two most prominent bloggers, Beckman then proceeded to insult his new staff in an interview with *The New York Times* by demeaning the work of *The Hollywood Reporter* employees inherited by Prometheus. "It's our negligence—the way we served up our content over the last couple years has allowed some really poor competitors to emerge," he said. "But we're going to rectify that starting right now." In another interview he took a shot at one of those rivals: "If I'm setting the bar where *Variety* is—and this is going to sound really caustic—I'm setting the bar too low." It was like moving into an unfamiliar Hollywood neighborhood and cranking up a dozen leaf blowers.

With a thud, Beckman plunks down the first issue of the redesigned *Hollywood Reporter*. It's November, and the magazine just hit newsstands. It looks expensive. It features a glossy *Vanity Fair*-like cover featuring a group of actresses including Natalie Portman and Nicole Kidman. But the real point of pride for Beckman has to be that it is 156 pages thick with 67 pages of advertisements. Along with the ads that have long been the bread and butter of the trades, such as the page HBO bought to congratulate Laura Dern, Diane Lane, and Bruce Dern for their Hollywood Walk of Fame stars, there are consumer advertisements that have rarely been seen in either *The Hollywood Reporter* or *Variety*: Versace, Citibank, Lancôme, Môt.

Over courses of prosciutto and cheese, roasted chicken, and Italian white wine at Da Silvano, a Manhattan restaurant, Beckman tells stories of the lost world of New York publishing and the giants of Condé Nast—men he loved and admired. Among them was Art Cooper, *GQ*'s legendary editor-in-chief and practitioner of the good life, who loved to smoke and enjoyed heavy, boozy business lunches—and who dropped dead in the middle of one such lunch at the Four Seasons in 2003, a few months after retiring. As publisher of *GQ* from 1995-'98, Beckman helped turn it into a publication whose ad-stuffed girth rivaled that of Condé Nast's perennial cash cow, *Vogue*.

He loved Steve Florio more than anyone. The former Condé Nast CEO imported Beckman from the London office and made him his protégé. Florio had been the

founder of the annual “Italian guys” lunch—Condé Nast’s clique of bespoke-suited, tough-talking ad sales executives such as Ron “Mr. Big” Galotti and Florio’s brother Tom. Beckman, who grew up Jewish in middle-class northwest London, the son of an accountant and schoolteacher, was judged close enough to be made an honorary “Italian guy” and was given a seat at the table. (The final Italian guys lunch was held in early 2008—at Da Silvano—just a few months after Florio died of a heart attack. Only 58, he had been relieved of his CEO job three years before.)

Beckman eventually became president of Condé Nast Media Group, a department that superseded the magazines’ publishers and sold ad pages directly to the biggest advertisers, those with budgets to advertise across most or all of the Condé Nast titles. As a testament to his value, Beckman had been given the job even after a highly publicized incident in 1999: During a booze-soaked sales meeting in Los Angeles when he was publisher of *Vogue*, he’d forcefully encouraged one female advertising executive to kiss the magazine’s international editor. The two women collided, and the sales executive was injured badly enough that she told Condé Nast she required surgery and claimed the incident was part of “a pattern of questionable behavior” by Beckman. Condé Nast settled for more than \$1 million and issued a statement saying Beckman “acknowledges some inappropriate behavior on his part and is seeking counseling to address that issue.” Because of the settlement, Beckman can’t talk about the incident.

It was in his position leading Condé Nast corporate that Beckman solidified his status as someone not to be trifled with. He developed a reputation for yelling at employees and for executing petty power plays, such as making his staff wait for him for hours. “He’s nuts, he’s fun, and he’s extremely, extremely aggressive,” says David Penski, the president of ad-buying agency ZenithOptimedia, who negotiated with Beckman on behalf of a number of advertising clients over the years. “He has a very large ego and he wants things done his way, period.” Says Beckman’s friend L.A. Reid, former head of Island Def Jam records: “He’s awfully charismatic, but I’ve also seen Richard get upset, with, like, smoke coming out of his ears.”

Advertisers liked him and feared him. “There are very few people who can call any single agency president and get a meeting in five minutes,” Penski says. “He’s one of them.” As ad dollars began migrating to the Internet in the mid-2000s and other magazines began dropping their

print ad rates, Beckman insisted on raising rates every year. Advertisers had no choice but to pay; in terms of reaching large numbers of well-heeled consumers, no other publisher could touch Condé Nast. “There was that underlying feeling that if you were a luxury brand and you stopped advertising in Condé Nast books, that was going to hurt you from an editorial perspective,” says Penski, who cites no examples. For the Chanel of the world, Beckman was unavoidable, like the ferryman at the River Styx. Condé Nast did not respond to a request for comment. Says Beckman: “Condé Nast always operated with a church and state philosophy, that we would never allow commercial support to influence editorial coverage.”

He remained in his perch for eight years, longer than any who’d held the position before. Yet as much power as he had, Beckman felt stymied in his efforts to influence operations, telling friends he felt that Newhouse and Condé Nast had been shortsighted in relying entirely on the sale of print ads, a business vulnerable to recession. The financial meltdown of 2008 vindicated those fears. It crushed the advertising market, and for the first time in memory, Condé Nast lost money.

Beckman had never made a secret of his desire to be CEO. “That company believed in me before I believed in myself, and I was very proud of everything I achieved there,” he says. “But in my last year or two there was a real sense for me that I thought my job at that company was done. And Chuck [Townsend, the CEO] wasn’t going anywhere.” Beckman landed at Fairchild, and in a further blow to his ego, the press treated his new job as a huge demotion. In the wake of the financial meltdown, the company also canceled his real pride and joy—the multimedia extravaganza that he had dreamed up, Fashion Rocks. He was about to turn 50. His mother was dying of cancer. It was in this battered headspace that he set out for Prometheus.

It takes months before Beckman’s schedule allows for a long-promised whiteboard presentation of Prometheus’s master plan. The company’s Broadway offices have dingy, pockmarked walls and a pile of old, broken computers lying in a hallway. Beckman’s office is by comparison the retreat of a pasha: dark wooden Venetian blinds, overstuffed leather chairs, a marble desktop, a blue guitar given to him by Carlos Santana mounted on the wall, and a large bronze sculpture of a knight on horseback, a gift from his wife, Kristen, when he became publisher of *Vogue* in 1998. “I’m obsessed with knights,” he says. “They were the most fierce warriors, right? But they had an incredible code of integrity, chivalry.” Beckman, who travels frequently, is not seen by employees in the office very much. You can tell he’s in when classic rock such as David Bowie and Queen’s *Under Pressure* is blaring.

No whiteboard is in evidence. There is, however, a 60-inch plasma screen tuned to soccer with the sound down. Beckman seems unable to concentrate. Mid-conversation, he keeps trailing off as his eyes settle on the game. His favorite team, the Tottenham Spurs, is minutes from winning, the first time they’ve been in contention to take the European Cup, but his eyes look despondent. “I’m really upset about the call I just had,” he explains. He’d been at the Grammys over the weekend, he says, trying to per-



Late GQ editor Art Cooper; Condé Nast Chairman Si Newhouse; late Condé Nast CEO Steven Florio; *Hollywood Reporter* Editorial Director Janice Min; Michael Wolff, head of *Adweek*

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suaude an unnamed artist to perform at the Billboard Music Awards, the struggling program he now owns and hopes to reinvigorate on May 22 in Las Vegas. ABC will broadcast the show, and he has booked premier acts such as The Black Eyed Peas, Rihanna, and Jennifer Lopez—but apparently they are not enough.

The bookings are killing him: “When a client tells you if you do this, this, this, and this, and you do all they ask, you walk through a burning building, and you have a conference call set up on the Tuesday just to tell them how happy you are you’re able to achieve all these things. Then they say they changed their mind.” He stops, shakes his head. “It’s just not what I would regard as integrity in business dealings, and it pisses you off.” Beckman admits he’s prone to black moods, feelings of intense self-doubt. “I probably have imposter syndrome, thinking I have people fooled. It’s probably what drives me,” he says. “Oh, my God. Living inside my own head is tough. I’m a tortured soul.”

The Hollywood Reporter has been embraced by the Hollywood community. “The product’s pretty good,” says Bob Dowling, a former publisher of *The Hollywood Reporter*, who oversaw one of its most lucrative periods, from 1988 to 2005. “But you can always come up with something that’s fantastic as long as somebody else is paying for it forever.”

The Mar. 25 issue is a good-looking, 64 glossy pages, but it’s a far cry from the premier issue. The first ad on the inside cover is a house ad for Prometheus’s new Reality Rocks Expo, a trade show for people who want to make or appear in reality TV shows. The 15 pages of other ads are almost all so-called endemic ads, various entities wishing Bryan Adams congratulations on the Hollywood Walk of Fame and so forth. The “beauty, fashion, consumer electronics, and liquor” ads that Beckman promised and had in the first issues are nowhere to be seen. “He got them to begin with because everyone owed him a favor,” says Penski. “And I think that he’s struggling as these companies are struggling, too.”

Dowling finds Beckman’s notion that there’s something novel about a trade publication trying to lure consumer advertising amusing. “You honestly think that we didn’t think of that?” he says. “*The Hollywood Reporter* had a monthly magazine in the mid-’80s. Guess what they were trying to do? Get consumer advertising. That didn’t work. There was *V Life*, that didn’t work. There was *Premiere Magazine*, that didn’t work. There was *American Film Monthly*, that didn’t work. Why? No advertising.” Beckman has never heard of Dowling, but when confronted with his logic, he counters with his B-to-I argument.

“Our magazine provides access to the most influential constituent in the entertainment space,” he says. He says that *THR* has broken even on every issue, advertising is up 50 percent since the launch, and that Web traffic has ballooned more than 800 percent since he took over. “Overall, I’m very pleased with the first 15 months,” he says. “But no one is popping the champagne corks. We’ve got a lot of wood to chop, a lot of things to do.”

When Beckman finally presents his whiteboard, which has been jammed into his office, it is filled with grand ideas to take dusty but great brands and launch them into the stratosphere. There’s an *Adweek* reality show, a *Billboard*-branded partnership with MySpace for unsigned bands, a DirecTV-based *Billboard* Music Channel. Beckman says there are serious talks for a *Hollywood Reporter* edition for Bollywood. “I was just back from New Delhi,” he says. “I was on the phone before you came in with a principal of one of the larger media companies over there. We are interested in taking the global influence of the entertainment industry to other countries.”

A person familiar with the finances of the operation estimates that Prometheus is on track to lose as much as \$10 million a year. “Nonsense,” Beckman says. “We were profitable in 2010, and profits will increase in 2011.” Even if *The Hollywood Reporter* was losing tons, it wouldn’t necessarily mean it was a failed experiment; *Vanity Fair* was initially a big money loser upon its relaunch in 1983.

The financial health of the magazines might be beside the point. “You’ve got to look at it from a Wall Street perspective,” says Ross Johnson, a former *THR* business reporter who is now a prominent Hollywood public-relations consultant. “This is the kind of play that private equity guys love.” Neil Stiles, president of Variety Inc., says he can’t make Beckman’s math work but also wonders if Prometheus might have less immediate motivations than turning a profit on its magazines. “What they’re clearly about is asset value, not P&L,” Stiles says. “That’s the stunning thing about private equity. You don’t actually have to make a profit, you just have to look like you might one day, and then you sell to another private equity firm. It’s sort of like a Pass the Parcel game at a children’s birthday party, but instead of passing a nice present, you’re passing an explosive device. The last private equity firm ends up getting their face blown off.”

Whatever happens, Beckman is clearly a man who wants his story not to end with Condé Nast and all that happened there. Auspiciously, Prometheus is named not only for the Greek god who brought men fire but also had his liver eaten over and over again by a giant eagle while chained to a rock—Beckman is a man who places great value in symbols. He’s wearing the same silver bulldog cuff links today that he wore at our last meeting, which makes me wonder if he’s really that opposed to the Mad Dog label. He shakes his head, and says they’re in honor of his 6-year-old son’s beloved stuffed animal. “When we were shopping once, he saw these cuff links and he said, ‘Daddy, Dog-Dog cuff links.’ So I bought them.” Is Mad Dog really such a bad nickname? “Some people say I should embrace the dog,” he says. “But it’s not pleasant, the way some people articulate it. It’s related to my tenacity and my persistence, but I also would like to think it relates to my loyalty. I spent 24 years at Condé Nast. This is only the third job of my life.”