

NEW YORK

A Brand That Says It All

An Interview with Leo Hindery Jr.,
Managing Partner, InterMedia Partners

EDITORS' NOTE Until October 2004, Leo Hindery was Chairman (and until May 2004, CEO) of the YES Network, the nation's premier regional sports network, which he formed in the summer of 2001 as the television home of the New York Yankees. In 1997, Hindery was appointed President of Tele-Communications, Inc. (TCI), and all of its affiliated entities, then the world's largest cable-television distribution and programming entity,



Leo Hindery Jr.

and in 1999, he became CEO of AT&T Broadband, formed by the merger of TCI and AT&T. He assumed his current role in early 2005. Hindery is also Chairman of the Horizon Project, a business and policy leaders group formed to develop economic and domestic policy legislative recommendations for Congress, Chairman of the Smart Globalization Initiative of the New America Foundation, and a member of the Council on Foreign Relations. He is a graduate of Stanford Business School and Seattle University.

COMPANY BRIEF Based in New York, InterMedia Partners is a private equity firm that makes control investments in media companies. Currently investing its seventh fund, InterMedia is focused on media content catering to underserved audiences.

How is business evolving for InterMedia Partners today? Going forward, what are your key priorities for the brand?

The media industry is evolving all the time, and I'm proud of the fact that InterMedia, which is now 20 years old, has successfully evolved with it. Value in media used to be created through the ownership of physical assets, which were very proprietary. However, the technology and the regulatory environment have changed to the point that the value in media is now the audience itself, especially in what I call "communities of interest." So in the mid-'80s we bought cable systems, while today we own media properties that serve specialized audiences. And if there's a brand that says it all, it's actually our name, "InterMedia." The media industry is an "intermedia" industry, in that it crosses a lot of boundaries and barriers. What we try to do now is acknowledge that our country of 305 million people is not a homogenous society and,



accordingly, we are substantial investors in Christian media, in the outdoor space, in the Hispanic community, in Olympic sports, and in the "urban" African-American community. How we live in society and how society sees itself are what we try to react to.

Have recent economic challenges impacted the business? Are there still opportunities for growth?

The current stress in the economy, as tragic as it is, has actually validated our strategy. The kind of media that we're invested in today is almost countercyclical, in that it recognizes how women or men value their lives, their ethnicities, their genders, their faiths, their vocations, or their avocations, all of which is very sustaining and comes to the fore in a stressed economy. We're very sensitive to the economic distress, because people are getting hurt by it, but our business strategy is actually being proven out during this period of malaise.

Some people wonder how our economy reached this state. Does it surprise you?

The sad state of our economy should be a surprise to no one. We have ignored, for a decade or so, many of the fundamental principles that stood our nation in good stead for a century and, in an economy as big as ours where things take about a decade to ripple through, we are now seeing the sad after effects. We've enriched the wealthy in this country at the expense of the middle class. We have, without any hesitation, off-shored millions of jobs. We have ignored energy practices that could have buffered much of the shock that we're going through now. And we've ignored the health care needs of fully one-third of our citizens. So it's hardly surprising that we find ourselves in the position we're in today.

Many are looking for a light at the end of the tunnel, but these are such big problems. Is it hard to be optimistic?

The single statistic that gives me most cause for thought and concern is that half of our nation's income is now earned by only 2

percent of the population. This is such a repudiation of income equality and such an embrace of income inequality that it's lunacy to think we can make everything right in a half or even a full decade. We're going to have to redo, all at once, our policies on trade, the environment, energy, health care, and taxes, and that's a lot of work.

As a country, are we losing our leadership? Do we still have that ability to lead?

We are as innovative and creative as we need to be, but we are far from being as fair and humane, as mercantilist, and as well led as we must be. Competition is a function of great ideas and great execution. We retain strong leadership in idea formulation, but we're no longer leaders in execution, because we don't have a true national industrial or manufacturing policy. We don't have an environment where corporations have a sense of multiple responsibilities, not just to the shareholders, but also to employees, communities, and the nation. It's surprising that the country that once defined the industrial age is the one that is now completely lacking in a balanced and fair industrial policy.

What career advice would you give to young people hoping to be tomorrow's successful business executives?

The only advice I would give is never, ever do it only for the money. If you do it only for the money, you may make a lot of it, but you will be a complete failure in terms of your contribution to your industry, to your career, and to your country. Your job should be much more a manifestation of your skills and your values than your interest in earning a lot of money. If I ever hear anybody say they're doing this for the compensation, I can only say that they won't be doing it for me. When I started my own career, I only hoped to be fairly compensated for what I brought to the exercise, and I honestly never wanted to be excessively compensated. I knew I had certain skills, and I thought they had value, but all I ever wanted for them was fair compensation. ●

Leo Hindery addresses the New America Foundation