

Georgia's Business #413

Guest: Ed Baker
Publisher, Atlanta Business Chronicle

Richard Warner: Hi I'm Richard Warner. Welcome this week on Georgia's Business the man behind the most affluent business news source in the State of Georgia. In twenty three years Ed Baker has risen from management from the Atlanta Business Chronicle to oversee the companies' portfolio business newspapers nation wide. And when the company purchased the sporting news in 2006 he was name to oversee that as well and joins us now. Congratulations, thirty years.

Ed Baker: Thank you.

Richard Warner: I remember this paper came out in 1978. I remember when it came out and I'm going to be honest with you, I remember thinking this is a nothing paper. It was, it was no point and then Ed comes on to the scene. My first question to you is, for someone who is coming in to a situation where they are looking at it and going this is a turn around. What was the first thing you did?

Ed Baker: Tell people it was all about the product. And It was all about the people, they thought early on it was all about generating advertising revenue. But if the product is no good Richard, as you well know, they will not come. So to turn it to a meaningful product that eventually people couldn't live without was the goal for day one. And to hire a great group people that understood business and that were true journalist and had a deep convention to telling the truth, the whole true and nothing but the truth in media.

Richard Warner: And you focused on, again I'm looking at strategy here. You go of course that's going to be your message the product rules because people aren't buying ads, they're buying a product, they buying editorial. Did you focus on verticals first as a way to try to get traction or was it just an overall global thing?

Ed Baker: No, it was absolutely vertical. You have to look at every market, especially in Atlanta to find out and figure out where's the business coming from? And in Atlanta it's pretty loud and clear that real estate has always been the biggest driver. And it isn't just about real estate for real estate sake. If you think about it, you have banks lead to financing, you have employment has in putting people in those buildings, you have goods and services that are bought to put in to those buildings. So, it really was the big domino in terms in terms of what really makes a market work, especially in a market like Atlanta.

Richard Warner: Did you face severe competitor pressures at the same time or was this pretty much your bailey wick?

Ed Baker: The world has changed. Back then the general constitution had a very formable business section if you will and they were our main competitor. They still remain in market like Atlanta our main competitor because we're both driving for in some respects the same thing and that's local business news. The difference in today's world is that the mix has changed.

Richard Warner: How did you know you made it?

Ed Baker: Oh, I don't think we ever make it. Standards are always set high, everything we do can always be improved. I refused to ever get complacent, things can change and really telling the stories of so many companies from good, to bad, to ugly you learn lessons along the way.

Richard Warner: Give me one; was there a company that failed or declined that surprised you?

Ed Baker: Oh, there been many, there been many surprises. Don't ever ask me to pick your stock portfolio because I can't do it.

Richard Warner: Do you remember Delights?

Ed Baker: Oh, Delights, I mean Richs, why did Richs have to go out of business? I mean which one you want to start with? I mean, there have been grocery chains that have come to this town and disappeared. Big Apple was the big grocery chain when I was growing up in Atlanta. But I can take you to about every industry and show you a cycle that has really been remarkable over the thirty year period, look at Delta Airlines over the thirty years. When I came to Chronicle twenty three years ago Delta could do no wrong. the plane were full, they were highly profitable, the employees were happy.

Richard Warner: Amazing culture.

Ed Baker: It is...I mean than you look at companies that started up in town, Best example being either take Ted Turner or take Bernie and Arthur in Home Depot. Both came from no where as entrepreneurs. Had a great dream and achieved amazing success over the long haul but a lot had to do with an attitude. And I think attitude drives a lot of business lost in kind of a mix of things.

Richard Warner: Bernie and Arthur, Ted Turner names that people know. High profile marquees are going to be copy for the cover of the paper. What are some names who influence the city that might not be as high profile?

Ed Baker: Oh, I think there are hundreds of people, not to not answer your question, that work behind the screen incredibly affectively that don't need the podium and don't need the microphone that have always really gotten things done in town. It's kind of the history of Atlanta, even prior to thirty years ago how things got done in Atlanta were typically a small group of people that sat behind a closed door, made decisions and than moved on.

Banks have always been kind of a catalyst for change but that world changed from interstate banking went a way. And that again another phenomenal in the last thirty years were you can look at Bank of America today or Wachovia, could've been head quartered here, not sure today weather that's good or bad or ugly.

Richard Warner: Well, today indeed. But when it happened were you frustrated as a business leader in town?

Ed Baker: Painfully frustrated because it always is follow the money weather it's in philanthropy, weathers it's in leadership, weather if it's in activity in the community along the way. And we lost a lot, I would say in the last thirty years that's probably been the single biggest step backwards in business in Metro Atlanta, the power and play of dollars. Look what it has done for Charlotte.

Richard Warner: Charlotte is where your company is head quartered? As we do this interview, there's chaos in that industry. What's the feeling in Charlotte?

Ed Baker: Chaos in Charlotte, Is like I'm waiting on the hurricane to come and weather is it a category two or a category four. I was in Charlotte just yesterday, I'm there a lot. I watched it grow up, it's an amazing town in so many different ways but to drive through downtown Charlotte and watch Wachovia buildings still being built knowing full well they are laying employees off as they're building, buildings is a contradiction. We got to finish the buildings but the reality is there is going to be a lot of office space in Charlotte that people will pick up at a reasonable rate.

Richard Warner: Back to the Chronicle because while you're reporting on business, business that is succeeding, business that shrinking and never stays in one place. You had to build this paper. And watching you do it.

Ed Baker: It's not I, it's we.

Richard Warner: watching all of your team do and it goes back to Anita Sharp, it goes to David Black, it goes David Alison. The method that you used to grow this wasn't just focusing on a particular industry to cover the generator cash by the way, it was also branching out in to multimedia long before it was fashionable. Marketing was the secret.

Ed Baker: You got to know us to love us. It's like any of us, felt that we got to a point where we were producing a pretty good product. And the more people who got to touch and taste it and experience it would come and scribe.

Richard Warner: It was David and Goliath. And a print company tends to be pretty narrow and think of print and that's the culture. Did you have to break down walls internally to get the money and the buy in from management to do this stuff?

Ed Baker: No, I work for an amazingly entrepreneurial company who really gets it. They understand that you got to take risks to come up with reward. They understand that it

takes time to get from point A to point B. And the support whether it was financial support or whether it was brain power support or moral support, it's always been there in the company that I work for. The Chairman of our company was the president of Wall Street Journal for seventeen years. Start there, the ethics, the values of the principles, the plan drive from the concept of we deal with highly educated people. You've got to talk to them at their level and you got give them something that's of value because time is the big enemy for all of us. I'm proud to report that people spend an hour a week with the Chronicle. And that's a daunting task to make sure that we continue to get that hour a week.

Richard Warner: America City Business Journal New House owns it, prior owner was a big dinosaur media company, huge, Scipps Howard. Is it the same entrepreneurial culture there...

Ed Baker: No...

Richard Warner: And if not how did you over come it?

Ed Baker: They didn't get, the reality is that it's a classic case of a big company that owned a small company that didn't understand our culture and didn't understand the roles we played in the market and they sold us. Sold us to another group of business journals and so often the case in some many different industries it just grew and grew by acquisition. To the point that we're forty one papers deep now and highly regarded both in terms of print and electronically.

Richard Warner: How did you swim through those waters during that acquisition? Dangerous time for an executive during an acquisition, entrepreneurial company or not, that's when things can go one way or the other, what did you do?

Ed Baker: You listen a lot and you assess a lot. Different times provide different opportunities. I had a choice, either see how this goes or continue to follow the course or if it wasn't philosophical the way I believed that a business should be run I would've moved on. The reality is I got lucky from the stand point that every new owner received was a better owner than the last one. Fortunately the one we have now Mr. Shaw has been in place for seventeen years. So, we pretty much understand each other and have the same directional philosophy about strategy and never take our eye of the ball.

Richard Warner: It's interesting because I know you and this is not false, you were never afraid of that.

Ed Baker: No.

Richard Warner: It's normal for people going in to situations of change to be extremely nerves about what it means to them. I never scented that from you. Is that confidence, arrogance, talent, I don't know, what?

Ed Baker: The truth?

Richard Warner: Yeah.

Ed Baker: I always looked at from the stand point, well what's the worst thing that could happen to me? And I felt that the worst thing that could happen is that I would have to work at Macy's selling shirts. So, if you work backwards from what's the worst thing that could happen to you, you figure the sky could be the limit. And if you're not the kind of person or you don't have the DNA to be willing to take a chance then you don't.

Richard Warner: Yeah, go there. So, one time I come to you and I got a company its fleetly it's in my house. What do I do, how do I grow this company? You know what this guy says to me? He say mortgage your house. I didn't do that, I'm glad I didn't. It shows that your philosophy as it pertains to making this a valuable paper, you got to bet it all.

Ed Baker: Its a journey, I mean its life, if you don't take chances and you're going to look back one day and regret this and regret that. Unfortunately, I see many people, many friends of mine who regret that they didn't do X, Y, and Z. I just was never one of those kinds of people that said why not take a chance if it made sense and I did my homework and I kind of looked at short term, midterm, and long term. It's the way I was raised, its the mentors that really gave me what I am today. And that is a package of different people who whispered in my ear over the years don't be afraid, in the case of taking a chance.

Richard Warner: I'm very interested, who are those people?

Ed Baker: They were my bosses, people that I worked for, I was very fortunate, really from the very beginning. Early on I worked at the Atlanta Journal as an intern and I worked with Furman Bisher and Lewis Grizzard. I learned journalism in sports in that particular case, I didn't realize at the time, from two amazing people.

Richard Warner: You feel like Forest Gump?

Ed Baker: You do but I still today hear echoes of mentors from thirty years ago now, telling me as my unofficial board of directors, remember this guiding principles.

Richard Warner: And it's important, you still have an unofficial board of Directors?

Ed Baker: Oh of course. I think people in business, in life, if you don't have that board than shame on all of us because straight away, my boss is my wife. There's no confusing, if you want to call her the CEO or whatever. But I'm happily married for thirty four years and it is the back bone of my exists, weather if it's personal or professional. It starts with why do you do this, well, you do it for your family and you do it because this is what you want to do. That's kind of the way I gotten to this age and its worked for me. It may not work for other people but so far so good.

Richard Warner: What blew up, when did you have to deal with something that blew up?

Ed Baker: Oh there have been many things that have been in and out of our control. In the stock market crash back in 1987 is an example. We have to re trench.

Richard Warner: Well, 1990 you had a real deep trough. And if you're building your business on real estate in Atlanta, you know you're going to see the signs coming a second time.

Ed Baker: That's right.

Richard Warner: How do you get through?

Ed Baker: Well, you hunker down you become more efficient in the way in which you operate your business. You don't proactively go out there and inquire things when things are down. But I'll tell you the one mistake I do think that most people make, especially in a down economy is take a step forward not a step back. Think counter intuitively as a pose to following the path in an hurting man mentality. Market when the market opportunity is there and for many I think now is the time when you seize the day. As in pose as everyone pulling back and getting conservative and waiting for the phone to ring. Its not how business works, it's never been how business works, and in an economy like this I think you take the big step forward. And now is the time where you take a chance even franking more so then you would when things were in a more quote more conservative way.

Richard Warner: Is this the worst, I mean even one ask this say yes of course, is this the worst you've ever seen it?

Ed Baker: Oh yes, in my lifetime absolutely. I mean I think we could easily be moving to a serious, if you will retrenching. But that word depression, no logical in today's world its a different set of circumstance, its a global economy, we're pulled in different directions ever time we go through a down economy. The reality is that every down economy is not the same. This one happens to be a little more bizarre and no doubt has impact many people then really down economies as days gone by.

Richard Warner: Talking with a television executive the night before last about the blood bath that's coming in what has been a very stable profitable industry. Your print, you talk about a threat in the industry, at least that's what I read or on the web. So, are you out marketing since now you have this economy doing what it's doing, print doing what's doing, you're doing what?

Ed Baker: We're proactive, what I said, what I said to you a minute ago, is by belief and doing it. Our circulation went up six percent last year in terms of pay, this year we're up three percent year to date. Its not all print and granted we tend to be more of a trade publication than a quote a general consumer publication and its a different world. But its

pedal to the medal in terms of our world because truth is, if business stops doing business with business we're all in big trouble. And that's not the case, business is still active and, yes a number of people have taking a large hit. Yes, no doubt there will be more lay offs moving forward but if you look at history, history repeating its self in down economies, if you look at great companies they seize the day, they go for more. Look at what Warren Buffet is doing. I mean great example...

Richard Warner: He had power...

Ed Baker: That's right. You'll see the ones who are picking up pieces today who are really smarter than the average bear. Look at the Citi's in the world, wells Fargo's in the world, they're not sitting on their hand and pulling back. They're looking for more and it's just a question of degree for those people who strategically believe that now is the time to increase market share, now is the time to pick up the pieces were people have left opportunity on the side of the road. So, I don't think business ever stays stagnate, there's always opportunity. I can tell you straight away there still a lot of people in Atlanta Georgia with a lot of money.

Richard Warner: You said the terms Citis' of the world, you meant CitiBank, and when you said it what zinged through my mind was cities of the world Atlanta. This is a guy who is deeply in grained in the city of Atlanta, knows all of the movers and shakers. What is your thought about Atlanta? You've been here a long time. I've been here a long time, seen a lot of changes, not all of them good. If you were writing a term paper on about what Atlanta should do, what would you say?

Ed Baker: For disclosure, when you grow up in a city there's a little more skin in the games, a little more attachment. I think Atlanta remains one of the top cities in America to both live, work and play. I really truly believe that, do we have our problems? Sure we do, have we had them for thirty years? You bet, but we're a big city. For those people who migrate to big cities, we're a great big city. if you don't like the ups and the downs of the big market I think you need to more to a smaller market. But Atlanta in many respects is like Los Angeles, we will continue to grow, we will continue to create different centers of both industry and power along the way. We're not restricted by borders, by oceans, or mountains in this market place.

Richard Warner: what do you mean by water...

Ed Baker: By drinking water but ocean water. We have property we can take all the way from Savannah if you will. But the fact of the matter is that this is a great city, the airport is an amazing magnet to do business, always has been. Transportation has always been the center piece of who we are and what we do. We work well together; this is a community that works well together.

Richard Warner: Yeah, I notice that this basically proves it, that we've always heard that if you want to get ahead in this you going to do more business in Atlanta. It's all relationship driven, even more so here. Small town for a big city...

Ed Baker: Absolutely.

Richard Warner: And that has been one you have advanced the cause of your company by being intimately involved with community organizations.

Ed Baker: It's important; I mean it's personally important to me. This is my home town. A lot of people that work at the Chronicle, same for them, we feel that we have equity in this market place and feel very strongly about it. We're not a buster publication we'll tell it like it is. But at the end of the day this is a great city. I really some times think that we all need to take a step back and deep breath and realize how good we got it compared to so many other markets around the country.

Richard Warner: In these community involvement initiatives you've been involved with across different industries in town. Who have you seen that's up in coming that we need to keep an eye out. Any names come in; obviously you run a risk of omission by talking but having said that.

Ed Baker: Well, Richard that's a real tough one you know it depends on weather you want to talk about it by industry, talk about by geography, talk it about it by business or civic or political.

Richard Warner: Who's going to take us to the next level?

Ed Baker: Oh, I think we're moving on to the next level. I'm very comfortable with the community leadership these days both at the city level, at the camber of commerce level. I'm very considered at the state level in what happens next. I do believe we lost our edge in economic development in many different fronts comparatively and competitor.

Richard Warner: because...

Ed Baker: We don't have a plan, what is our plan for growth in terms of business development? There are a lot of people in different kind of fractions pulling and tugging at it but if you ask the leadership if you will, what's the game plan for economic development moving forward? It's more let's seeing who calls us, what comes over the transom. As suppose to my mind taking the lead of will on the global opportunity that's here. We're touching it in China and other parts of the world. But at the end of the day I'm a huge believer that Atlanta is a magnet for global comers. That over the next fifty years based on things such as what Delta's doing with expanding in parts of the world we never been to before. If you look back in history that connection going back to governor Busbee was about Atlanta be coming the next great international city. And I think we're moving that direction but I we can move a lot faster.

Richard Warner: Craig's List reformer had an economic development for the state. We had lunch, he said that we don't get it, we're not competing against Tennessee, we're not

competing against Florida, we're not competing against California, we're competing against the world. That's we're the opportunity is.

Ed Baker: Yeah, we're sitting on an opportunity that's huge. We have more consults here than anywhere, so the cross connection is there. This airport is known across the world, Atlanta doesn't suffer from the stand point of people don't know Atlanta anymore. Billy Pain in the Olympics put the awareness check mark against our market in some twelve years ago now.

Richard Warner: And that's what has changed?

Ed Baker: Oh yes, I mean that was the big change. We woke up after the Olympics and we had good luck. The Good luck was coming.

Richard Warner: That's exactly right, it was the . . . event.

Ed Baker: It was and the amazing part we went back to the early days of the Chronicle to look at old issues. And sad but true but these themes are twenty and twenty five years old.

Richard Warner: Sad but true why?

Ed Baker: Water issue, traffic issue, air quality issue...

Richard Warner: In 1978?

Ed Baker: Its amazing, same topics different scenario. One of the most interesting stories was the INS raiding chicken farms in Gainesville because we have illegal aliens. Now what do you want to talk about? All this in a thirty year period, we indicted education thirty years ago for not improving the standards. These are thirty year old problems, these are not five, ten, 1996 problems. We have the documentation to prove it, we were writing about water problems twenty five years ago in this town. No on wanted to pay attention because it wasn't leaking.

Richard Warner: Thirty years from now what's the Chronicle going to be running?

Ed Baker: I won't be there...I'm hoping the Chronicle is doing what it is doing today. And that is giving everyone the snap shot the weekly...of what's happening in our back yard. 85 percent of everyone's business in town is really connected to local business.

Richard Warner: Is it going to be news print?

Ed Baker: In thirty years, no, no, it will be a digital world. It will probably be in bedded in a chip in your brain and we'll beam it from the satellite. And you click here and it will all work. I don't know how but we laugh. Before I came to the Chronicle my last position, I was a manager supervisor for launch of the whether channel with John Coleman. In my

mind was who in the world is going to watch whether? Talk about dead wrong. I mean its amazing how many people will attach to things they are interested in.

Richard Warner: It has come almost as far as the paper has in these last thirty years. Ed Baker, Atlanta Business Chronicle always a pleasure, Thanks.

Ed Baker: Thank You Richard.

Richard Warner: And thank you for watching. You can catch a replay of this show on the radio in Atlanta at WCFO, that's 1160 AM. You can listen to the audio on itunes just do a search on the term Georgia Business. And you can sound off to me directly if you like on the web at Richardwarner.com. Now, from all of us here at Georgia Public Broadcasting, I'm Richard Warner. Thanks for watching and until next week don't sell yourself short.