

ANNENBERG SCHOOL FOR COMMUNICATION

HBO ORAL HISTORY PROJECT

The Reminiscences of

Matthew C. Blank

Annenberg School for Communication Library Archives

University of Pennsylvania

2018

PREFACE

The following oral history is the result of a recorded interview with Matthew C. Banks conducted by Howard Burkat on July 23, 2014. This is part of the HBO Oral History Project.

Readers are asked to bear in mind that they are reading a transcript of the spoken word, rather than written prose.

Transcribed by: Service

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Interviewee: Matthew C. Blank

Location: New York, NY

Interviewers: Howard Burkat (Q1)

Date: July 23, 2014

Q1: Yes, rolling. All good? Okay.

Blank: Matt Blank take one.

Q1: That's my first question, what is your name?

Blank: Matt Blank.

Q1: When did you work at HBO [Home Box Office]?

Blank: March 31st, 1976 through February 2nd, 1988.

Q1: I guess you remember. What titles did you have? Do you remember your titles? Also, what was your most senior one for that matter?

Blank: Affiliate marketing manager, director of Creative Services, vice president of marketing, vice president of marketing Cinemax, senior vice president of Consumer Marketing.

Q1: How did you get the first job?

Blank: I got my first job at HBO because I was the brand manager on the American Express [Co.] Card. Twenty-five years old, doing really well. Hated it. Wanted to work in television, and a guy there had gone to work at HBO. He called me up one day and said, "Can you come—"

Q1: Is that Bob Caird [phonetic]?

Blank: It was Bob Caird, said, "Can you come over and meet some people tomorrow?" So I went over and I met a couple people that day. The next day they made me an offer. The day after that I resigned.

Q1: You took the job, I'm not trying to put words in your mouth, but you took the job because you wanted to work in television.

Blank: I wanted to work in television. HBO was brand new on the satellite. Frankly, I didn't predict HBO's success. I thought if I worked at HBO for a year I could get a job at CBS [Columbia Broadcasting System]. It took me another thirty or so years, but I got a job at CBS.

Q1: When you got there, what was it like? What kind of place was it, and was it changing as you went through all those titles?

Blank: When I started at HBO, there were probably only forty or fifty employees. They hired four or five of us who started on the same day to go out around the country and launch HBO.

Q1: Who was those four or five? Do you remember?

Blank: John Hagerty, Judy Andersen [phonetic], George Monister [phonetic], me. That may be it.

Q1: What was it like? What kind of place was it? What did it feel like to work there?

Blank: It was people stuffed in offices. Not much space, very communal. You knew everybody. Everybody was insanely focused on how many subscribers we gained every week.

Q1: And were you gaining?

Blank: Yep, we were gaining, but in those earliest days probably not as much as we hoped for or needed to. That took a while.

Q 1: It was an interesting place to work?

Blank: It was a very interesting place to work. It was a very much a do-your-own-thing place to work. I think I was trained for a day, and then thrown to the wolves. My second week on the job I was in a cable system in Lewistown, Pennsylvania teaching them how to launch HBO.

Q 1: And a month before--

Blank: Three days after I learned how to launch HBO.

Q1: Well, that's what I was going to say, this is literally a week or two or three or four after you were in this corporate American Express environment.

Blank: Very much so. I went from being able to pick up a phone and having the ad agency run over in ten minutes and do whatever you needed to flying to Pittsburgh [Pennsylvania], driving to Butler, Pennsylvania, or the like; going to the local newspaper to place ads; going to the local radio station to find out who was the best known DJ in town; getting to record commercials. And did that in, I think, thirty-eight states in two years.

Q1: The rest of that crew that you mentioned, they were doing the same?

Blank: Everybody was doing pretty much the same thing. We all had accounts. We all had sales people at HBO that we were attached to who would negotiate a contract, and then it was our job to convince the cable system to launch HBO once they had the contract in place for the parent company, and to go there and do it.

Q1: Did you guys modify this system, or was this how those early days built the company?

Blank: I think everybody invented their own way of doing it once you were out there. It was very personal. The biggest part of it was not the business part of it. The biggest part of it was the personal part of it. You went in to a small cable system in Western Pennsylvania or Ohio and they all looked pretty much the same. In fact, frequently, if you got lost, you were taught to follow the cable trunk [note: an enclosure used to protect cables] and it would take you one of two places. Frequently those two places were the same. It would take you to the [cable] headend [note: the facility at a local cable TV office that originates and communicates cable TV services and cable modem services to subscribers] where the satellite dish was or to the cable system office. You went in to the office----there was a receptionist in a faux wood paneled office--and a manager in an office. You'd go to the back and there'd be a room where a lot of the door-to-door salesmen were, and there'd be a room where the techs and usually a metal caged area with a padlock on it where they stored the cable boxes.

These were not people who were used to marketing. They didn't have to sell cable. These were classic cable systems mostly in those days, where you need a cable to get the three networks signals and sometimes a distant signal or an independent [signal]. Most of the marketing was door-to-door. You really modified your style to the type of cable system you were in--the personality of that manager, who frequently wasn't terribly interested in HBO. This was trouble. This was a problem. He was told he had to launch HBO, and all he could think about was all the pain and suffering that was going to mean for him in that job. That was the challenge. The challenge was having a personal relationship and getting these guys to do what you wanted them to do to be successful with HBO.

Q1: What was the hot button, eventually,—with you walking into Joe Blow in Joe Blow's city PA? How did you convince him to go? His bosses told him to do it, but you had to make it happen.

Blank: Sometimes they decided themselves to do it. It might have been an independently owned cable system. I think the hot button was making more money and doing something other than just selling a signal. Before you were selling something that was better than an antennae that didn't really work. Now you were actually selling people programming content, which was good news and bad news in a lot of these markets. A lot of this content was R-rated [note: Restricted to individuals 17 and older, unless accompanied by a parent or guardian]. There were certain markets where that was a problem. Very different than where I was raised in Queens [New York City] and went to college in Philadelphia [Pennsylvania]. My access was sort of New York City [New York], Philadelphia, with a school trip to Boston [Massachusetts] and Washington D.C. thrown in for good measure.

So you went out to these little, small towns: Rust Belt towns up in New England, old manufacturing towns in Western Pennsylvania, Ohio, Indiana, Michigan. It was a very different world. Where I grew up, nobody went to Vietnam [note: the Vietnam War, occurring in Vietnam, Laos, and Cambodia from 1955 to 1975]. When you went to these little systems--the manager, the installers--many of them were just back from Vietnam in the mid70s. Very different thing culturally, very different thing socially. HBO was a cultural revolution in a lot of these towns and in these cable systems that served these towns.

Q1: Just parenthetically, I want you to tell us what that college was in Pennsylvania that you went to.

Blank: The University of Pennsylvania in Philadelphia.

Q1: Ah, yes.

Blank: Pennsylvania home of the Annenberg School of Communications [note: now Annenberg School for Communication].

Q1: Okay, just wanted to get that on camera. Let's see. That's a fascinating portrait you just painted of how this company grew.

Blank: We grew mostly through small towns. Cable was a small town phenomenon in those days. The typical thing we did would be to visit a cable system, put together a marketing plan for that cable system, talk to them over a period of weeks, and then go back for the launch party. The launch party was usually on a Friday night, which meant if it was Western Pennsylvania, getting in your car and going eighty miles an hour to try and make the 9:55 [p.m.] flight out of Pittsburgh back to New York or you ended up spending the night in Pittsburgh on a Friday night. A typical event would not be at some fancy restaurant or not at a museum, not in the world that we kind of live in in a lot of our major markets, but it was at the Elks Club [note: the Benevolent and Protective Order of Elks]. I remember one launch somewhere in Central Pennsylvania, one

of my very, very first launches. I hated public speaking. I hadn't done much public speaking and I had to get up and do the remarks, and it would be the mayor and all the dignitaries from town.

Q1: The mayor came to the HBO launch?

Blank: Absolutely. Launch party--because this was a big deal in these towns. We'd always have a big switch; a big phony switch, next to a TV set where we would count it down and throw the switch at 8 pm on Friday night in time for some movie. Somebody, when we threw that switch, would push the button and HBO would be delivered to that town for a free preview. One of the very first ones I did, there I was sort of shaking in my shoes because I had to get up and speak, and just the moment I stood up to speak the sirens started going off. Every male in the room got up and ran out. They were all volunteer firemen, so now I was left with all the wives in some small town in Pennsylvania where we were about to show films that were sometimes R-rated, a little bit racy for that crowd. Again, it was a cultural experiment in much of America back in the seventies.

Q1: It was a cultural experiment. People were glad that HBO had come to their town.

Blank: They were glad HBO had come to their town, but there was a good deal of resistance. There was resistance to R-rated movies in the home. One of my favorite stories is that when we launched HBO, we used to do these previews. You give somebody HBO free for four or five days or a week, and we might launch with a live telethon [note: televised fundraising events that would be aired for hours or days at a time]. Between the movies we'd come back, and someone

would be there selling it and talking about it, maybe interviewing me or interviewing somebody else from HBO. When we did those previews, we used to warn the cable system that, "You want to be careful because if HBO has an R-rated movie playing, these people haven't asked to have HBO in their home." It's one thing when you've purchased it and you know what you're buying. It's another thing when your cable system just throws a switch and now there's an R-rated movie on Saturday night at 8 pm. We used to warn the system managers that that could be a problem, and in many cases suggest, based on the films, that they in fact use an optional cassette. We'd give them another movie to replace the R-rated movie with, so that they wouldn't get any resistance to that.

I can remember one time down in the middle of Louisiana having a system manager say, "No, it's not going to be a problem. Don't worry about it," and the movie was *The Exorcist*, which really dates me and HBO, but *The Exorcist* had some fairly explicit--masturbation scene. Things that I thought might be offensive. Again, the cable system manager said, "Don't worry about it. I'm sure all these people have seen that movie, not going to be a problem." We had a gigantic problem, but why did he have a problem? This was the Bible Belt [note: an informal term used to describe the regions of the Southern United States where Protestant fundamentalism is widely practiced]. He had a problem because it was a movie about the devil. Again, one of those experiences where you really get an opportunity to learn firsthand about consumers; about how people think; how hard it is to satisfy a broad audience with everything you do; and how different it is if you come from someplace like the boroughs of New York City where it would never cross your mind that somebody might have objected to a movie about the devil. Again,

very interesting social and cultural experience as HBO went in to these small towns. Then, obviously, much larger towns all over America.

Q 1: Would I be correct in saying that you guys had a model to launch and market this thing on the one hand? But on the other hand, it wasn't a very rigid model and you get what you get?

Blank: No, and the receiving end of that pass, that cable system manager, was not necessarily that quick at getting past the defenders when it came to marketing. One of our things that we always learn to do was, we would produce newspaper ads, and these were slicks [note: an ad slick is a camera-ready proof of an advertisement provided by retailers and manufacturers to be used in print media] that were meant for any cable system to use "Introducing HBO: "Don't miss such and such a date." [Makes writing gesture] And it would have the offer on it, "Get five days of HBO for free." It would have the cable systems phone number on it. We literally learned to go in person, with the system manager, to the newspaper to place those ads. Otherwise we'd get copies of all these ads in New York and we'd find that it would say in the ad, "Your offer here," or, "Your phone number here." Again, this is not meant to be critical of cable systems or their capability at those points in time, but there was just nobody there who actually had to market for a living, so this was all new to them. In these old classic cable systems, cable came to town, if you wanted television, you signed up.

Q1: Really, cable marketing was being invented as you guys were out there.

Blank: I'd say every week we invented it. You got to a town it was a little bit different. You never knew what you were going to run into back in 1977, 1978. This seems amazing now because we've gotten so used to the price of oil and the price of gas as a result going up [sic], but there was a natural gas shortage all over the country [note: 1979 energy crisis] and it was one of the coldest winters on record. We were launching HBO in Mansfield, Ohio on that Friday night. On that Friday evening, Mansfield, Ohio was featured in the lead story in the evening news from one of the networks. I actually think it was the CBS Evening News, because they had shut down the factories and the schools for a week because of a lack of natural gas that provided heating and other things in that town. There you are trying to get people to spend money to buy HBO at a time when they've been laid off for a week. You got there, you did this launch party, and nobody was too happy; so what did you do? Well, you waited another week. You schmoozed and you hoped that a week later people would feel better about things when the factory reopened.

Q 1: There you are. You're launching around the country. You hope things are going well. You probably were not thinking that much about the big picture, but if you were, did you have a sense then of what the challenges and the opportunities were down the line? What was going to happen to this thing?

Blank: You know, I think during this entire period you probably didn't work there unless you thought this was the greatest opportunity available in television, or in media, or in entertainment. In spite of how much HBO has changed, it's easy to look back on those days when it was movies, and wrestling, and a bunch of specials that you kind of raise your eyebrows at today, but I think when you saw people embracing unedited, noncommercial programming--programming that

they couldn't see elsewhere--and you saw how well you did as you went from a small town to small town, I think you knew that this was going to be a really big deal. People loved HBO in those days, even though it's nothing compared to what it is today, or all of these cable networks are today. I think most of us who worked there, we had that feeling deep down in our gut that we were early on in something that had the potential to be really big.

Q1: Let's go back to some of those practicalities of HBO and working there. You were talking about, for one thing, there were just very basic things, like you were traveling an awful lot obviously.

Blank: Almost every week we got on a plane, or got on a train, or got in the car to go somewhere. The travel was a strain on these little commuter flights. I remember in the course of one week, having two emergency landings from the same airport--from the Harrisburg, Pennsylvania airport.

Q1: What a week.

Blank: Travel was rough.

Q1: You worked weekends. You told us about weekends.

Blank: Yes, in fact, most weekends you were coming back on Saturday morning from somewhere where a cable system had launched HBO on the night before, on Friday night.

Q1: When you were in New York at the office, were you working hard or was that kind of the goof off time?

Blank: It certainly wasn't a goof off time. I think everybody worked hard. For most of us at HBO in those early years, HBO was your life. You may have left the office and gone downstairs to the bar in the Time & Life Building at 7:00 [p.m.], and then spent the rest of the evening with your colleagues at HBO. When I think of those days, I think that HBO was the most defining, time consuming, socially embracing thing in my life. Your social life was HBO, your personal life was HBO, your business life was HBO.

Q1: You've brought up an interesting topic that I'm going to jump ahead in my own questions about, because I'm very interested in when you said, "HBO was your life." I think you might be in your personal life a perfect example of that.

Blank: There were a lot of HBO relationships, a lot of HBO marriages.

Q1: Of which you are one.

Blank: A lot of HBO divorces. A lot of broken up marriages. I suspect the same thing is true in the tech world today or any of these industries and times where people have been so embraced by what's happening in their business life that probably a lot of the most successful people are people who are working--their business life is their personal lives [sic], their social lives.

Q1: Someone once said to me that this was because of the, the term he used was the age compression of the staff, and that is to say, virtually the entire company was white, it was college educated, often Ivy [note: the Ivy League is an athletic conference comprised of Brown University, Columbia University, Cornell University, Dartmouth College, Harvard University, University of Pennsylvania, Princeton University, and Yale University] educated, twenty-five to forty. Is that accurate? How [crosstalk]--

Blank: --[crosstalk] I'd say it was an elite staff. Probably not the most diversity by today's terms. A lot of the old Time Inc., Princeton, Ivy League culture had immersed itself into HBO. Certainly not for long, because I think an awful lot of the people who ended up in senior positions there had different backgrounds, but there were a lot of Time-Inc.-ers [sic] who found their way into HBO in the early years, or for quite a while in many cases. I think if you were starting that company today, it would look a lot different today, and I think HBO probably looks a lot different today. I know my company, Showtime [Networks Inc.], does.

Q1: How did that staff that we just characterized and its composition--did that affect the way business was done, and what appeared on the air, and all of that sort of thing?

Blank: I think that staff affected the way that HBO ended up defining itself from a business culture. It was a rowdy culture. It was a very sales-y [sic] culture in a lot of ways, until the programming really took hold and kind of really anchored itself in being as innovative and different as it is. But culturally it was--if you were a white, male, Ivy-educated person, I guess

that worked out pretty well. We wouldn't like it today. We wouldn't view it as a culture today that was going to best relate to its audiences; best create programming that would represent the culture of our country; best know how to market and brand itself; but that's a very different time. You're talking over forty years ago now in terms of when the company started.

Q1: Getting back to those early times when you were working there, there was quite, I guess I'd characterize it as, liberal policies about expense accounts and travel and lunch, and all of that. Were you involved in any of that? Lunch, let's say.

Blank: You know HBO, one of the things that was distinctive about it--and by the way, I think this was a Time Inc. thing. There are legendary stories about Time Inc.'s liberal expense account policies back in the heyday of the magazine business. Ad sales guys taking people to Europe; spending a fortune on wine and drinks every night. It was a bit of that *Mad Men* culture that was probably just ending when HBO really got started. A lot of us felt for the way we worked at HBO and the way we dedicated our lives at HBO that in the early days we weren't paid that much, and our bosses' response to that was, "Hey, you should be going out to lunch on the company--out to dinner every day," and we did.

By the way, the lion's share of it was legitimate in the sense that we were with other HBO people. Again, the lines between business, personal, social were blurred. If you spent the night drinking and eating with your bosses, was that really business? It certainly wasn't personal in the sense that you might have been rather doing something else, but we were certainly encouraged to eat meals with our colleagues, to go places with our colleagues. I think some people pushed the

limits of it when they were sending car services to pick up their laundry and the like, and there were some famous, famous meals. Some of our CFOs [chief financial officer] were perhaps as much a part of that culture as anybody else was, so that may have bred an environment that you wouldn't see in a company driven by its fiduciary duty to its shareholders today.

Q1: What was your work day like? Did you get up, get there early, and then do all kinds of things, or what?

Blank: I was always--

Q1: --You were an early bird, if I remember.

Blank: My work schedule was I burned it on both ends. I liked to get there early in the morning because that's when I felt I could get work done, read, and do things that I had to do related to the business, but I was also somebody who spent a lot of hours as part of that HBO group that traveled some of the finer watering holes in the city or worse, and we had a great time. It was a great place to work. We were all working incredibly hard, but we loved it.

Q1: With all this hard work, and with all this, almost, inventing a business as you went along, what do you feel your personal greatest accomplishment was in all those years? And you were there a long time.

Blank: I still will find people in the business who say to me, "Boy, I remember when you came out in 1977, and you spent a night, and you taught us about this." I was one of the early marketing guys there--that I contributed to the brand, and that I helped build the marketing organization. But for me, I think if I look back on it, it was all about the people. I met some unbelievable people all over the country. I like to think that, gee--I was twenty-six, twenty-seven years old--I had a lot of impact on the people in Kennewick-Pasco, Washington, or in Yuma, Arizona, or in Mississippi, or Kentucky, or in Hickory, North Carolina; places that life never would have taken me, but I brought HBO there. I shared a lot of opportunity with people there, and in terms of myself and the opportunities that I had in my career.

Q1: Why did HBO succeed? What was its secret?

Blank: I think it was the right product at the right time. I think first you have to look at the technology: both the technology of cable systems and the satellite technology meant the world was ripe for expanding what had been thirty years or so of very traditional, three-network type television in those days, one. Two, I think you combine that with some very innovative and entrepreneurial people who really believed that there was a lot of other great programming to be presented in different ways to people, and saw the future. It was an environment where people didn't say "no" that much. They said "let's try it. Let's give it a shot." I don't think there'd be a *Homeland* [note: *Homeland* television series] on Showtime today or a *Game of Thrones* [note: *Game of Thrones* television series] on HBO if there hadn't been the Pennsylvania Polka Festival on HBO in 1976. It sounds crazy today, but all of those things bred an environment, and people who came in and had carte blanche to try things, and to say that, "Gee, we can do television a

little bit different and we like to do television a little bit better.” That's been a consistent theme for my entire career, and HBO was my on-ramp for that.

Q1: It's interesting to me, and you're one of probably of the very, very few people who--

Blank: --survived--

Q1: --has a perspective I think on this. Well, okay, yes. At one time, HBO, where you were working, Showtime, where you went on to lead and have great success, but at one time they were very close, neck-and-neck, “Who's going to be the number one service?” At some point, HBO pulled ahead and, as great a job as Showtime has done all these years, it's still a one-two, and why did HBO [crosstalk]--

Blank: Well, HBO, it was never close in the early days. HBO launched several years before, so it was already distributed in those homes before. That meant a lot.

Q1: By guys like you.

Blank: Yes. That meant a lot. Showtime trailed for years and years and years. With consumers, there's not one and two anymore. That's the amazing thing--that's happened. Preferences are pretty much the same between the two networks. In some cases greater for Showtime, which is just normal in television. You have a normal competitive environment. AMC [Networks Inc.]

might have a couple shows that are doing great at some point in time, then FX [Networks LLC.] does, or HBO, or Showtime.

But in the early days, HBO was there first, and being there first was absolutely critical in terms of even getting channel space, getting channel position, being on a converter or not being on a converter. Showtime had to launch into what were already existing HBO homes for the first several years. That was an advantage HBO had, not just over Showtime, but over all the cable networks from a programming standpoint for many, many years. They took advantage of it. As much as those first couple of years were a major struggle and you hear stories about, in seventy-five, literally every month the executives at Time Inc. had to make a decision that HBO could keep going for another month or so. But HBO, by the late seventies was making real money--real significant money--before most cable networks had even launched, so what did that mean? HBO was in a position to invest in the brand and invest in programming when the ESPNs, the AMCs, the FXs of this world were just somebody's pipe dream. There's always a great advantage to being there first, and HBO took advantage of it.

Q1: During this high-growth period, how did the actual growth affect doing your job? I'll tell you what I mean by that. I remember from my time there where you were, on the one hand, doing your job, whatever your assignment was. On the other hand, you were kind of looking ahead at, "What am I going to do about this? What am I going to do about that?" Wondering how you saw that.

Blank: I think HBO had all the growing pains and all of the opportunities provided by a really quickly growing business. It was growing because of two things that were part of the cable industry at the time. First, was that with HBO's success, we were able to launch in many more systems and get everybody to carry HBO. The second thing is, the period from the late-seventies to the mid-eighties was a time of tremendous new franchise development. Franchise granted all over the countries for cable systems to be built, and for cable systems to be expanded and to continue building out from their current franchise areas, so that was a tremendous benefit to HBO. In fact, so much so that HBO lost sight of how they were doing in the existing markets where they'd over-launched for many years because there were so many of these new and bigger markets.

The bigger markets where people didn't have signal problems, but were going to buy cable because of programming. Now, because of HBO, and then the Turner [Broadcasting System] networks, and then the ESPN's, and the MTV's, and all the others, people were starting to buy cable by the time you got in to the early-eighties for content. The idea that you could sell somebody a package where they were actually paying for content and not just the signal was the economic stimulus necessary for cable operators to invest capital in building out franchises, which are very expensive, in all the big urban markets in the country. Over a period of time, cable moved from a B, C county [note: ABCD Counties are categories used by marketing and advertising agencies, and are based on the population totals of counties and their proximity to a metro area or anchor city] phenomenon to an A, B county phenomenon.

Q1: What was the way--in your experience at HBO over many levels and many years that we're talking about--what was the decision making style? How did things get done?

Blank: The way we made decisions varied with who was in charge at a particular point in time. Sometimes the decision making process was very quick, sometimes it was painfully slow. In today's markets, with all the technological change, ease of entry in a world where there was very, very great barriers to entry historically, if you don't make quick decisions, you're dead. Quick decisions: if you don't commit to a show, someone else will; if you don't make a deal, somebody else will make that deal. Some of that was true for HBO, but there are also times when a lot of us said, "Gee, why aren't we doing X, Y and Z?"

Q1: I asked you the other side of this question a few minutes ago, do you remember in this exciting growth period, what went wrong? Where you were defeated? Some of the things that you wish you could do over?

Blank: There were always things that went wrong. One of the things was sort of interesting. Right after I joined HBO, programming attitudes were terrible in our research--our disconnect rate was very high--and HBO did a very controversial thing. The programming day I think used to be twenty-four hours, or twenty-two hours, or something, on the air. They cut it back to sixteen hours because we didn't have any more programming when we programmed twenty-one hours a day. When you looked at a program guide, which was the only way people got programming information in those days, all it did was give the impression that there were even more repeats and that was the big complaint about HBO in those days: "Repeats, it's all repeats."

If you had an extra four or five hours of programming every day, you just repeated something one or two more times, so if someone was looking at that program guide every day, it was the appearance that there were that many more things that were being repeated. A little counter intuitive, but it worked, and then HBO eventually expanded the programming days to have more content. Then obviously, twenty-four hours. Going twenty-four hours was a huge decision in the late seventies or early eighties. Today, could you conceive of anything not be twenty-four hours. This was still a world where your CBS affiliate or your NBC [National Broadcasting Company] affiliate signed off at one in the morning and you got that crazy screen that there was nothing on. Even though HBO seems like a newer part of the television universe, it's old by today's standards.

Q1: Who were your important bosses and decision makers, and how well did they do their job?

Blank: I worked for Tony [Winston H.] Cox for years, both at HBO and Showtime. He was one of my great mentors. I always considered Nick [J.] Nicholas [Jr.] a mentor. Nick, when he started at HBO as president and COO [chief operations officer] I think a few months after I did, and he used to throw things my way whenever he needed something written or something put together. It was an amazing group of people: Nick Nicholas, Jerry [Gerald M.] Levin, Tony Cox, Michael [J.] Fuchs, who came shortly after; a guy by the name of Austin [Owen] Furst [Jr.], who was one of the early programming people. All very different styles. All left their mark on the company. One or two of us in that group were young, but a lot of these guys were a generation ahead of us, which meant six or seven years older. It didn't mean twenty years older, but a business generation ahead of us. In their own way, all contributed significantly to the growth of HBO.

Q1: On the other hand, were there any internal challenges that were inhibiting progress?

Blank: I don't think that internally this was a company that had challenges that made it difficult to do our business, but certainly in all companies there's a certain amount of politics, a certain amount of things to [unclear] for. There was a lot of corporate competition--a lot of competition between programming, and sales, and marketing. There were people in the early days who thought, "Hey, if you'd had a deal with TCI [Tele-Communications Inc.], it didn't matter what program you had on the air." And the programmers--that was totally not of their world. We're there to please consumers, day in, day out, that have to pay. I think it was a balance of both, but clearly there was a major shift from these being distribution businesses to being real consumer businesses. It doesn't matter what our deal is with a distributor today, if we're not producing great stuff and getting the attention of our viewers, they're not going to pay that bill every month.

Q1: Were you there when the shift was made from microwave to satellite?

Blank: I arrived at the company about five months after they went on the satellite. However, there's still a huge amount of our business still launching in the microwave networks at that period of time, so certainly a concentration of business in the northeast with the eastern microwave network, but I spent probably half of my time in that world and half of my time literally from Florida, to California. I must have launched six systems with HBO in the state of Washington; old teleprompter systems through Montana, North Dakota, South Dakota; UA-

Columbia [Cablevision Inc.] systems in Arizona; Comcast [Corporation] systems down in Mississippi--it was a very different world.

Q1: In the northeast, where that northeast microwave was, were you involved in switch overs and trying to convince people they needed this new and expensive gizmo?

Blank: Satellite or--

Q1: --satellite, yes.

Blank: I think there was a period of time where everybody knew they needed a satellite dish, because of all of the programming that was up on the satellite that most terrestrial technologies couldn't handle. It was a big deal. In 1977 I spent a day in Philadelphia at Comcast offices out in suburban Philadelphia with Ralph [J.] Roberts, the founder of Comcast, convincing Ralph and his president at that time, a guy by the name of Dan [Daniel] Aaron, and this was a five hour meeting, to spend \$100,000 for a satellite dish plus \$10,000 for a concrete foundation in New Kensington, Pennsylvania, Westmoreland Cable TV, to launch HBO. It was Comcast's very first satellite dish. I bet that company has thousands of dishes in its various companies today. This was a big deal. Frequently, when HBO launched, a governor would come to the launch because it was the first satellite dish in the state for television. If you think of today where you can walk in to Best Buy [Co., Inc.] and nail that dish to the side of your house, and then go inside and have it tell you to move it three degrees to the east or the west, and to point it, and have a device tell you when you've got the signal perfectly. These were very, very different times in terms of

technology and television. Remember, we're talking thirty years before the internet was really widely used in this country, or twenty-five years.

Q1: So you convinced the Roberts family to go ahead with it, with the dish?

Blank: I've got no credit for it over the years.

Q1: Must have been in a commission check.

Blank: I did a live telethon with Ralph Roberts in Westmoreland Cable TV on a Friday night to get people to sign up.

Q1: How about the Cinemax startup? Were you involved with that? Why did that start? What [crosstalk]--

Blank: --It started as a flanker brand [note: addition of a new brand in the same product category as an original brand to capture a greater share of the market for the original brand] to try to keep Showtime out of the markets, because we had the belief that people would pay to have even more services that looked like HBO but had a different name.

Q1: In your recollection of the Cinemax conception, birth, and launch, how did that get done in the company as you see it?

Blank: I can remember how Cinemax got launched very clearly. It took three executives--three respected executives in the company--and took us out of our jobs for six months to a year.

Q1: Who were the three?

Blank: It was me--I was on the marketing and promotion front. A guy by the name of Lee deBoer on the programming front, and a guy by the name of Dick [Richard] Beers [phonetic] on the sales and affiliate relations front. The three of us were charged with doing the things that had to be done over the course of the year to launch that service. It was all about getting more money from the home, and providing a flanker brand that would present more competition to Showtime and any other potential new entrants.

Q1: It's interesting that you mention three key disciplines to launch this thing. Where was programming?

Blank: Lee deBoer was programming.

Q1: That was deBoer? Okay.

Blank: Yes.

Q1: So you were involved in that Cinemax launch, too. How did that go? Did you have to go back to all these systems?

Blank: We went back to all of our customers and said, "You ought to use this. You've been successful with HBO. If you're charging eight ninety-five for HBO, why not charge twelve ninety-five, thirteen ninety-five, fourteen ninety-five, and have somebody buy HBO and Cinemax?" Then ultimately that evolved over the decades into, "You buy HBO, here are all the services you get, all the different multiplexes as well as Cinemax." But Cinemax launched I believe in August of 1980.

Q1: Last question that I have, there may be a couple more in the room from our friends here from Penn [University of Pennsylvania]. It's a little broader. I'll just read what the note that I took on it, which is, there you are at seventy-three to eighty-seven I think you said it was, so it goes a little past our study, but did you ever think that someday you'd be running the competitive company? Was that a plan? Something you were building toward? How did it happen?

Blank: My personal goal was always to run one of the major networks. HBO, by the time we got in to the later part of the eighties, was a big company. I would go to the CEO at that time, Michael Fuchs' staff meeting on Tuesday mornings, and there'd be sixteen people in that room. The bosses seemed pretty young, the business was going pretty well, and I didn't sit there and think, "Okay, there's going to be a real opportunity here in the next thirty-six months to be president of this company." I was always looking for something where I'd get more responsibility, wanted to get more involved in other parts of the company. That's why I left. An opportunity came along, when Sumner [M.] Redstone bought Viacom [Inc.], to take on a bigger job. I was in charge of all creative services, PR, business development as well as marketing--and

I was told fairly directly, "If we can start turning this thing around, do a little bit better, you'll be president. You'll be COO in two or three years," and I was. For me it was a pretty simple decision to go and do that. I'd been at HBO for twelve years. I sort of thought that it was going to take a long time to get much more opportunity there. I never really perceived that, "Gee, I'd be CEO of a company competing with HBO and doing pretty well," but that's how it worked out.

Q1: Questions ladies and gentleman?

[END OF INTERVIEW]