ANNENBERG SCHOOL FOR COMMUNICATION

HBO ORAL HISTORY PROJECT

The Reminiscences of

Linda A. Frankenbach

Annenberg School for Communication Library Archives

University of Pennsylvania

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PREFACE

The following oral history is the result of a recorded interview with Linda A. Frankenbach conducted by Howard Burkat on November 14, 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
Session: 1 (of 1)

Interviewee: Linda A. Frankenbach
Location: New York, NY

Interviewers: Howard Burkat (Q1), Corrina K. Laughlin (Q2), Kate Zambon (Q3)
Date: November 14, 2014

Q2: I'm recording now.

Q1: Are we doing a clap?

Q3: Rolling?

Q2: Rolling.

Q3: All right.

Q1: You're doing a clap. I just-- Did I do anything bad?

Q3: No, you didn't.

Q1: Can you tell us your name?

Frankenbach: Linda Frankenbach.

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

Frankenbach: I joined HBO the summer of 1979, and I left in 1991.

Q1: But you stayed with the parent company and related things. Is that correct?

Frankenbach: I did. After I worked at HBO, I went on to Time Warner Cable in a group that was called Time Warner Cable Programming, which invested in programming services on behalf of the cable company.

Q1: What was your most senior HBO title?

Frankenbach: Senior vice president Affiliate Relations, Comedy Central.

Q1: You came if I remember correctly to HBO from Columbia Business School [of Columbia University]. Do I remember that correctly?

Frankenbach: That's right. That's right.

Q1: How did you match up with HBO? It wasn't, certainly at the time, a typical jump from Columbia Business School to HBO?

Frankenbach: That's right. It wasn't a typical jump at all. As a matter of fact, I remember at Columbia, in my second year when I was beginning to think about where I was going to work, talking to the dean, and I said, "I really am interested in media." The dean said to me, "You know, that's not the best idea. Maybe you go work for Procter & Gamble [Co., P&G], maybe go work for a bank." All of these ideas just didn't appeal to me. I was actually on my own looking for a job coming out of Columbia Business School. I really wanted to be in the media business, and I really wanted to work for Time Inc., and I really wanted to work for Time Magazine.

Q1: Did you have any background with those companies or it just was something that [was] interesting?

Frankenbach: I was an English major in college; I had certain dreams about writing and all those kinds of things. I was just intrigued by the business, and having just gone to business school, interested now in the business side. It was by merit of my interest in Time Magazine that I networked my way in, to finally talk to Tony [Winston H.] Cox at HBO.

Q1: You just made it happen on your own, you might say, I guess.

Frankenbach: With a little bit of luck.

Q1: The question is: what was there about getting to HBO itself? What was there that was appealing about HBO? By which I mean, Time Magazine, a great institution at the time--you, a person as you just said who had writing interests and so on. Here you are accepting a position with this company that no one ever heard of in a business that was certain to be doomed to failure.

Frankenbach: When I networked my way to Tony Cox, I remember I networked through a lawyer, a woman at Manhattan Cable. She said, "You know, there is this small upstart little organization that's growing. It's HBO. It's growing like mad, and there are probably are opportunities there, and I hear it's a great place."

I actually knew what HBO was because I lived in Manhattan [New York City], and I can remember when I moved into Manhattan being so excited by the notion that I could get 24/7 movies without commercials, that I knew what HBO was. The combination of knowing what it was and liking the idea, and then hearing it was this growing organization within this company that I really liked, I said, "Why not have an interview?" Once I got into the interviewing process, it took me two minutes to figure out that this was a fabulous group of people with a really interesting business, and it might be a perfect fit for me.

Q1: The business part we'll get to, the picking up on the people part for a second, which we talk about a lot in this history. What was it about the people that they were fabulous, that they were appealing? Tell us about that in the time.

Frankenbach: Well, I can think back to that day and a half of interviewing, and it was literally a day and a half. I think I talked to eight people. Every single one of them was personable, smart, had a good sense of humor. The attitude about work and each other just seem to be great. It was amazingly attractive.

Now, that was my perception before I said yes and joined the club. Once I joined the club, I began to realize that I was now lucky enough to be working with just an extraordinary group of people. It was a given that everybody had a great background, was smart, and so on. There was this other level to the place. It was that I think that everybody believed that work ought to be something you do, and you work at it hard, but the play part of being part of an organization like that was also really important. Finally, bonding with each other was really key. That whole culture [was] set up really by the leaders of the company, and I give them a great deal of credit.

Q1: Which would be such as [Gerald M.] Levin, and [Nick J.]Nicholas [Jr.], and Cox.

Frankenbach: Levin, and Nicholas, Cox, [Francis J.] Biondi [Jr.] at the time. The culture that was established was so attractive, and the company was able to hire so many impressive, attractive, fun people. I used to say to folks when they ask me how did I get to HBO, I said, "Well, I had a decent background, but mostly, I could drink and dance." I think that's what got me in. It was just a combination of smarts and fun and great attitude. I always said also, it was way more fun than college.

Q1: Wearing your business school hat though, as the dean said, P&G, banking--HBO was a long way from those kinds of things. You were willing to go down their line nonetheless.

Frankenbach: Well, first of all, I couldn't imagine an environment that would be more fun, stimulating, exciting, and full of opportunity than HBO was. I couldn't imagine that P&G would be that for me or Chase Manhattan Bank. It was also, from a business standpoint, a company that was skyrocketing up. It was growing very quickly when I joined in '79, it had turned to profit I believe in '77. The company couldn't hire people fast enough. That was a terrific business environment to be in. I could see that the business had tremendous opportunity, not only the company, but the whole industry that was being created and that HBO helped drive, was also a tremendous opportunity. It wasn't hard for me to wave goodbye to the traditional places to go out of Columbia Business School.

Q1: As the years passed, you worked there and then you worked very closely with various Time Inc. and related entities. Changes, differences, things got better, things got worse, things stayed very--what did you see happening over a decade or so?

Frankenbach: Those early days, that I think many of us consider to be very hard to replicate, were days of a general attitude that we could just keep making this thing bigger and better. The early days, '79-'80--very exciting. I remember when I was hired, within six months, I hired five more people. That was the period that we were growing so fast that it was really exceptional. What started to happen is we started to get a little more mature. If I recall, somewhere in the '81-'83 period, maybe it was around '83, we hit a wall in terms of subscriber growth for the first time. We had our first layoffs, at least in my time. I know there were layoffs earlier.

We began to mature a little bit. We began to realize, "Hmm, we're not always going to go like this." [Indicates peak] We were still growing nicely, but it started to--there's a little more reality settling in. Then by the time I left in '91, business was still terrific, but the HBO and Cinemax business were again getting more mature. At that point, we created Comedy Central, which was then really our first big, new, successful channel. That was now pushing the company onwards.

I've talked to many people who stayed on at HBO after I left, and they’ve certainly said it is now a mature company. In those early days it was excitement, opportunity that just felt endless, and that only comes I think at a particular part of a company's growth--those early years. It was extremely entrepreneurial because we were making up whatever deals we had to do or how we were going to do things, because we were the leader and we were the ones who started really the whole pay TV category.

Q1: We were told in an interview earlier today that even the marketing strategy and the tactics executed under that strategy were just made up as they went along, because there was no book, no one had written a book.

Frankenbach: Soon after I got there, we launched Cinemax. I joined and HBO felt like a new product. I was out at that time in the field trying to convince cable operators to carry us, and I would often get the question, "What's the box office?" I get these questions from cable operators that suggested that clearly, we were new, and they didn't know what we are about. Within a year and a half, we were launching another channel-- and making it up, making it up. The second channel came along. We couldn't figure out, do we sell that separately, do we sell that as a combination, what do we do with this one, and how do we make this thing go? So we made that up as we went along.

Q1: Tell us about what you saw as the relationship between the cable operator community and the Home Box Office people?

Frankenbach: That's a really good question. In those early days, when we walked into a cable operator's office, and he had a small business based on delivering quality signal to people who couldn't get it, because of interference and the like, we walked in with a brand new revenue stream. We started to change the scale of the business, and the nature of the business. I think in those early days, particularly I'm thinking about those systems, the team of us were hitting all over the country, there was really some excitement about HBO coming in. They liked it–that gal from the box office in New York was showing up, taking them to lunch, and actually explaining to them how to launch this product, and how to make more money.

Over the years, things started to change. I mean, we were always an important part of the revenue of the cable guy, but there were more suppliers in the cable business knocking on the doors. We might still have had terrific relationships with many, and because we were first out there, a lot of those relationships were deep. But we became now one of many suppliers. Then over time, obviously, cable operators generated more revenue streams, including digital and internet, so that HBO's position in the galaxy of his revenue sources started to change. I think the HBO people though were always very well-respected in the industry. There were wonderful relationships that really went on for years.

Q1: There were in those early days, certainly as compared to today, not too many women either in number or in proportion, if my observation is correct. I'd be interested in your comments on it and how it affected the business, and how it affected you.

Frankenbach: Well, when HBO was hiring in the '70s, that was really the period that women were showing up out of business schools, but [also] out of colleges looking for professional jobs, and it was a cultural change period in terms of women being employed. I thought HBO actually did a pretty good job of bringing women in at junior levels. If I recall in my early years, '79, '81, it may have even been forty percent women, maybe closer to fifty.

I thought HBO did a great job of bringing women in. Maybe we didn't do as great a job as we might have of moving women up to the top positions. As you got more senior in the ranks, you found that there were fewer women there with you. I think HBO's done much better as I understand it in recent years. I think in those early years: great place for women to work, terrific jobs, wonderful people, little more challenging to actually make it up to the senior-most levels. Certainly, when I was there and I think today, there has not been a female CEO of HBO. I think all the absolute top jobs have been male pretty much since the beginning.

Q1: Let me put it as a question here--you mentioned that one of the things you did was going out and talking to cable operators. What else were some of the things you did? When you went to work, what did you do? "One of the things I did was drive around and talk to cable operators and convince them about HBO." What else did you do?

Frankenbach: Well, first job first six months there, I was on airplanes every week knocking on the doors of cable guys, and telling the HBO story, and getting them to launch. I then moved over into the marketing department where I did different things. That was the time when Cinemax was being developed. I was then perhaps on a day working with an ad agency about our marketing or maybe working now with somebody in the field about how we were going to launch Cinemax in an individual cable system. That's the thing I did in the marketing department.

I then went back to affiliate relations, now running groups of affiliate relations people, and still it was calling on cable guys, but now it was calling on the senior guys and negotiating the big contracts and the like. Then in my last years, I moved over to business development. I really always have loved the startup of things. Maybe that's partially why I always loved HBO.

I worked on actually a channel that didn't go called Festival. We gave that a shot for two years. It was a channel that was created in response to the idea that maybe there was a whole sector of the population that didn't want sex, violence, bad language in movies, and so it was a cleaned up HBO. It didn't cut it then, but actually later on, one of HBO's channels was HBO Family, and it was very close to that. So I worked on that one. We worked right from the beginning on the research elements to putting the programming together, to selling it into the cable operator. Actually, we did it on a trial basis with a limited number. That's what I did for a couple of years.

Then from that, I rolled into the next startup, which was really great fun, which was Comedy Central. There I headed affiliate relations which meant that I would work with all of the affiliate relations team. I think there were 250, 300 people around the country selling our channels in. I worked on launching our first comedy channel. Sales, marketing, business development, working on new things, always somehow connected to the cable guy, needing to make sure that we got whatever we were dreaming up, we would have support for and distribution for. It was a great run of a lot of different jobs. I always thought that that was part of what I loved about HBO is that I continued to have the chance to move on and to do something different.

Q1: What was the challenge for HBO? I mean, it wasn't always, though particularly, probably--I'm just thinking at that period, it certainly wasn't the giant behemoth that it became. It was growing rapidly and always bigger and better, but do you ever worry that there was a systemic challenge that might someday ruin everything?

Frankenbach: Well, I think in those days we had started a category where we were the only place you could get uninterrupted movies, and then we had our other programming. When we saw that we had other competitors in the movie category, in other words, we had a Showtime [Inc.] and a [The] Movie Channel [TMC], we realized that just having uninterrupted movies was not going to cut it as a big differentiator in the market. I think one of the first things HBO began to do in that period was to begin to realize that we had to create unique programming. I think that was the fact that HBO realized that and started to move on it both in the special area, but also in terms of what we called made-for-us, movies we were producing ourselves. Of course, all of that became realized even more in the last fifteen years with *The Sopranos* and the other HBO series, which really now define the channel. I think that was one of the early challenges.

The other challenge that goes hand-in-hand with that is that we had two movie channels, and we wanted shelf space for both of them. But we also had now competitors with Movie Channel and Showtime and Starz [Inc.], and they all wanted space on the channel. There was a period there where it wasn't clear cable operators were going to give us all space. HBO was pretty well in there: we were a first mover; we had established the brand really well, and we continued to do well with expanding our programming. But getting Cinemax in there, and getting it marketed against the others was another challenge of that time.

I think that the other thing that started to happen in the business was that companies like HBO began to really grow horizontally. They were creating more and more channels. HBO held back on that. HBO focused its energies really on its production capabilities, its Hollywood capabilities, the producing of our own owned product. Those of us who were business development and were out talking with the cable guys, we could see in the '80s that there were all of these new categories of programming that others were stepping into.

For example, Home & Garden [Television, HGTV] started a whole bundle of channels that were going after different categories that we were not anywhere near. MTV Networks kept creating other channels. I always thought that that was a challenge for HBO because these guys would come in with this strong bundle, and they were important, too. I also felt it was weakness of HBO that in that period, we didn't jump in as well and start creating more channels. That’s--

hindsight is twenty-twenty, but I think those were some of the challenges we were facing--including then what was going on in terms of pricing of our movies, and how much we were paying, and could we keep the negotiations going the way so we could continue to make money.

Q1: Did you think you were going to stay twenty years, in and around?

Frankenbach: I remember getting out of business school and being told, "Whatever you do, it's your first job, and you'll probably stay a couple years, get that experience, and move on." Yes, on one level, I'm really surprised I stayed at the same company for twenty years. On another level, once I got there, there was no reason to leave. I had the experience of doing various things that for a variety of reasons came to an end.

For example, I was running our Denver [Colorado] office, doing it out in New York. The company made a smart decision that it was probably time to get those of us who are in New York running offices out to the field. For a variety of personal reasons, I couldn't go to Denver. I was out of a job, effectively, but the company was such a terrific place that I knew if I could somehow finesse the next job, I would stay. That's what happened to me a couple times. I was able to even if one job went away, or in the case of Comedy [Central], things merged, I was able to go on and do something else, and that was why I stayed all those years. It's not generally what happens to people when they join a company right out of business school. I felt extremely lucky that I was able to stay in that place for twenty years, and have as wonderful an experience as I did. I'm sounding like an ad for HBO here.

Q1: You're sounding like a person just telling her story, and that's the story. We've been talking a lot about the growth and how rapid it was, and it was vertical, it was horizontal, it was all kinds of things. My recollection is exactly that too. My recollection was that one always had his or her job to do, whatever you were working on that day, week, month, year, whatever, but there was also the growth. There were new people. There was planning. There were budget revisions and on and on. Did you find that the growth or let me put it in other way– how, if any, did the growth affect your doing your job or how did you feel about it?

Frankenbach: In those early years, the growth led us to need people quickly. As I said, really six months into working for HBO, I found myself sitting at a round table with people from other departments with fifty resumes of people from the best business schools in the country, trying to figure out how we were going to find our six. Each one of us needed five or six people. Part of being in a company that was growing that quickly was we always had to find new talent. That was exciting. I mean, to really be able to have your hand and helping to grow a place like that, and to make sure that the people you brought in were as terrific as the people who were there when you got there. That's a very positive thing.

The growth also, to my point earlier, I think was what allowed me to move around and do a bunch of different things. My second job in marketing was really all about the fact that Cinemax was created, and we needed more people in marketing to figure out how to market this second channel, and how to market it with HBO. Later on, I went on and was the general manager on this channel called Festival, which didn't last, but again, it was new, we're growing. I had another opportunity then on to Comedy Central.

One, you were adding people quickly. Two, there were new things going on that became opportunities for some of us. I wasn't necessarily typical in terms of how many times I moved and did different things, but I felt lucky I could. We also early on, we had a lot of money. We were young, and we had this very benevolent policy at Time Inc. that said, "Get to know each other. Go out to lunch with each other. Go to dinner with each other. Take your clients out as much as you can." We were able to do all those things, which again, some of us would say, "I can't believe they're paying me to be here. This is really amazing."

I remember, again, growing fast and having the resources, my boss's boss's boss, my second month on the job, called me in and I thought, "Oh, my goodness! What's going on? This is not good." He said, "You know what? You're doing just great, but you're not spending enough money on your clients." I said, "So you're telling me I need to go out to dinner more, I need to go to lunch more?" "That's it. Go out there and do it. Get on that airplane, do those lunches, do those dinners." Growing, profitable, all those kinds of things--it was a wonderful mix.

Q1: At one time, Showtime and HBO were neck-and-neck, and prior to multipay [note: cable service operators carrying multiple pay cable services on their systems], HBO would “win” a market, and then Showtime would “win” a market, and so on and so forth. During that time, HBO pulled ahead and Showtime became the eternal number two--successful, profitable, all those things, but still number two. Why was that? How did that happen? What allowed HBO to eventually pull ahead to stay?

Frankenbach: There were a couple of things that I think were structural to begin with. One, again, HBO, first mover in a category; very smart about winning the hearts and minds of the distributors; establishing a brand; figuring out that there needed to be more than just movies, and more than the original polka festivals, and the like. HBO was smart about all of that.

The second thing HBO did is it created a second channel. The second channel was able--Cinemax--able to take often that second position in a cable operator's system. The cable operator may at that point say, "Well, gee, I've got HBO, I've got Cinemax, I've got two movie channels. I'm not sure I need Showtime." HBO was strategic about what it was doing both with the HBO channel and with its second Cinemax channel. At the same time, Showtime went on and there was room in the business clearly for more than just two channels. Showtime now is really a terrific player. It struggled a bit then. Movie Channel was even a little further behind trying to get channel space, but as we know, Showtime went on and I think took a page from the directions HBO was going, and has done great.

Q1: What would your old Columbia professor of management say about the HBO management style and approach--the decision making style? How were things done?

Frankenbach: Probably laugh first and say, "Well, that's not exactly by the book." I think there are a couple of things. I think that's really an interesting question. We were all very young. The average age when I started was twenty-seven, and that's how old I was. I think the average age of the senior management was late thirties, and we were in a new industry. It wasn't as if we had people in the company who had thirty years of experience doing what we were doing. We were all new at it. We were all pretty bright. I think because of that, there was a lot of decision making that got pushed down through the ranks. It wasn't just top down. We were not following a formula. There wasn't a handbook teaching us what to do when we got in. There wasn't a training program to teach us the ways of the world at HBO. It was an organization of a lot of smart people making a lot of decisions together.

I think that senior management, just given their nature--who these guys were--and because of the age of the company, was pretty open in bringing in a lot of points of view around what to do. I don't think any of us felt this was such a top-down organization that we weren't somehow, particularly as we rose through the ranks, part of the decision making.

Q1: A lot of consultation and multi-inputs and groups--

Frankenbach: I felt that way. I felt that way. I mean, ultimately the buck stopped at the CEO or the three people--we had an Office of the President at one point, and there were three people making all the key decisions, or the ultimate decisions. I think it was so collegial. I think everyone had a lot of respect for everybody else, and was very interested points of view. It was a great tradition. Again, it comes from Time Inc. and Henry [R.] Luce, but we were all encouraged to take each other out to lunch. That didn't mean just someone who reported to you or your colleague. That meant that you could get on the phone, and you could call the CEO's office, talk to his secretary, and get on his lunch schedule. That doesn't happen in all companies by any means. Again, it was part of, one, a belief in “that's a great way to establish a culture,” but it also opened doors in terms of what you were able to talk to your boss's boss's boss's boss about, which I thought was really terrific.

Q1: If I remember correctly, you intimated this too, it actually went up even higher in which the video group senior executive Dick [J. Richard] Munro for most of that time, [Andrew] Heiskell, [James R.] Shepley, would anoint for the day mid-level HBO people and say, "Let's have lunch," and they would do it to us as well.

Frankenbach: That's right. That's right. Therefore, information flowed pretty well in the company. That's important.

Q1: What didn't go so well? Is there any defeat or downside or challenge that was upsetting to you?

Frankenbach: I referenced a little bit before my disappointment that, as we had that ball and we're running with it, and had such a position in the industry, we didn't create more channels. We didn't go more horizontally. Particularly, because I was in this job that was called new business development, and we were looking at a lot of categories that we saw had not been filled, and for a variety of reasons, the company was not interested in pursuing them, and then it would kill us when we watch the next company over start those channels that we had actually looked at.

Q1: So HBO could have--might have--

Frankenbach: --might have, could have--

Q1: --started, if I'm understanding you correctly, the MTVs of the world or the CNNs [Cable News Network] of the world or the HGTVs of the world or what have you.

Frankenbach: The ones that hadn't been created, and there were many that were created while we were the booming leader. Yes, I mean, some will tell you there were financial reasons or others, but I still believe strategically it was a missed opportunity. I think that HBO could have run an HGTV, a Food Network. There are all kinds of other channels that got created that I really think HBO could have been part of.

By the way, our competitors--we always looked at Viacom [Media Networks], MTV networks [now Viacom Media Networks] as competitors--they were pretty good at it. They would create new channels and move. One of the things that I think held us back for a while there--we got over it--was that we thought we were a pay TV company. We weren't necessarily a basic television company. I remember a senior executive saying, "We don't know anything about that business." Some of us thought, "Well, how complicated can that be--we just get an ad sales team, and move into that business." And we did with Comedy and did it well, although we sold it. We sold--

Q1: Half of it.

Frankenbach: --our half of it to our partner MTV Networks. That was frustrating to me. I think that was my biggest frustration in my last years at HBO.

Q1: There were internal challenges that, at least in new program development, that held back the company.

Frankenbach: I think some of it was just the focus of management at the time. The focus was to do what we did--we did it brilliantly--which was to go more vertically, and create--

Q1: Vertical growth.

Frankenbach: --and do movies, produce more movies, and specials. We got into video distribution, and so on, but all of the same core product. It was a strategic decision made by the company.

Q1: In the course of this discussion, you've mentioned the high quality of the people. I'm wondering, who would you single out as the two or three most influential and important for you? Good managers, good mentors, helpful--whatever criteria in a positive way you're thinking about them. I'd like to know who they might be.

Frankenbach: I would say the first person I would mention as a gem of the manager was Stanley [B.] Thomas [Jr.], who started his career at the company as an assistant to Nick Nicholas at Time Inc., went off for many years and then came back, and was brought in as one of the senior people in affiliate relations at HBO. He was a class act. He was the consummate manager. He was a terrific human being, and was a great mentor to me, and a great friend. Sadly, we lost him a number of years ago. I'd say Stanley Thomas comes first.

There were so many others who were terrific. Tony Cox--inspirational leader. He'd lead a charge and everybody be willing to just throw themselves behind him. You're going to go through that wall, Tony says, "Yeah, we'll go through that wall." Tony was just one of those charismatic types. I thought he was terrific.

I spent a lot of time getting advice over the years from Nick Nicholas and Jerry Levin. Again, they were terrific. Even as a junior person, their doors were open, and I thought they were really terrific in terms of helping guide and mentor. Those are just some; I could go on. I thought Frank Biondi was wonderful. He too had an open door, and I thought he was a brilliant strategist. It's so hard to give the list because the list just goes on.

Q1: This Time Inc. socializing interaction of the company, just to get back to that for a minute. I've heard two arguments about that. One was how useful it was, and how ideas got exchanged that wouldn't have happened elsewhere. The other was that it was just a big waste of money, and a tradition handed down as you said from Time Incers [sic]. I just wondered, if you’d care to expand on it a little more with an example or to maybe--how it worked, how the lunch worked, the dinners worked, what happened with them, and so on.

Frankenbach: Well, I'm of the former camp. I believe that there was a lot of benefit. Now, that said, there were extremes. There were some people who took advantage of that policy a little bit in ways. It wasn't always exactly the way it should have been, but I think generally, it happened in two ways. One, you could form relationship with people that you were going to team with, or would end up teaming with, on projects or to make things happen. You knew people more than what they were just sitting behind a desk. If you were out at a luncheon, you would talk about things that were going on. Particularly, since we were making a lot of things up as we went, you might brainstorm on something. "What should that tagline for Cinemax be?" Those kinds of things happen between colleagues.

The other part was that, for example, people in the field, which is where I started, as you had these meals with either colleagues or senior management, you were communicating what the client was thinking. That kind of communication in any kind of an organization that's selling through a distributor is crucial. I can remember having lunches with very senior executives who wanted to know, "What was United Cable [Company] thinking? What was the CEO at United Cable--how does his reaction to such and such?" You're out there starting to sell Comedy Central. "What's going on? How are they reacting to it?" I had this vehicle to communicate that was not, “Come to my office and spend a half an hour,” but we had these other vehicles to communicate information, and we got to know each other.

We got to know a little bit about each other's families, and our lives. There is something very special about having those kinds of connections. It really made us--Tony Cox used to always tell us, "You're a one big family." This is the HBO family.” And some people could be cynical and say, "This is a corporation. One day, you're going to let me go. I didn't get the raise I wanted." In truth, when you have that kind of real knowledge of each other, and connection to each other, special things happen. I think practically and spiritually, if you will, culturally, it was terrific.

Q1: What's your reaction to a comment we've gotten that describes the HBO of the time as somewhat constricted in its people in that they were all virtually twenty-five to forty? They had a great preponderance of Ivies [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]. There were an awful lot of men, although we've talked a little bit about that already. Virtually, everyone, with one major exception mentioned earlier, was white. What do you think about that? Is that true? Did that affect the way the company worked, for better, worse or whatever?

Frankenbach: That's a good question. There's no doubt the company could have been more diverse. I think actually, and we could check the numbers, I think we actually by the time I was there in '79, we're doing pretty well in terms of numbers of women.

Q1: The women, yeah--

Frankenbach: I think that one we were actually not bad on. We weren't great on moving them to the top, but we were great on that. Culturally, yes, we were very homogeneous, I think. It would have been a more interesting place, I think, had we been a little bit more mixed up with different and varied points of view. But that was the HBO of that day.

Q1: Now, you were involved in the Cinemax startup, correct?

Frankenbach: I was, yes.

Q1: So what was your involvement? What did you do?

Frankenbach: I'd been there for six months, and I remember Tony Cox decided I'd learned enough about the cable guy, now I should go over and do some marketing. Literally, called in, said, "Look, you got the cable guy thing understood. Now how about starting over here where we're going to create a new group called multipay [note: cable service operators carrying multiple pay cable services on their systems] marketing? We're launching Cinemax, and we're going to have to figure out how to try to guide the cable guy around how to market more than one pay TV service."

I found myself working on the first mailpieces [note: an item sent through the mail], actually with Steve [Steven M.] Brookstein, whom I think you've recently interviewed, where we literally sat with a client in L.A. [Los Angeles, California] and said, "Okay. We're going to create the first mailpieces in the country that are going to sell more than one pay service." We actually created a mailpiece for him that sold HBO, Cinemax, and The Movie Channel because we decided if we could win the hearts and minds of the cable operator to let us be the consultant on the marketing, somehow we would do better that way because then we could position our products the way we wanted, and the other products the way they wanted, but kind of the way we wanted too. That was what I was first doing. I was figuring out with--and then we were also part of a group that was a Cinemax marketing team. Part of what I was doing initially there was, "Okay. We got a new product. Now, how are we going to talk to the cable operator about marketing all these services?" That was one of the things I did.

Another, I can remember going to meetings and looking at logos. Oh, my God! We must have looked at a hundred logos, and being part of the group that finally said, "Okay. Here's the logo we want to do." It's all of that, that tactical marketing stuff.

Q1: Was there, and I'm throwing a little personal question to this, in the back of my mind, there was a second channel that was worked on for some time by the program group, but then that switched into the marketing group, and—

Frankenbach: Are we talking about Take Two?

Q1: I remember Take Two is yet another product.

Frankenbach: Take Two was floating around when I first arrived in '79.

Q1: Maybe that is what it is.

Frankenbach: Remember, it wasn't a full channel. It was a partial channel.

Q1: It was abbreviated.

Frankenbach: I never understood it. Obviously, the cable guys never understood it either.

Q1: That's right, if we didn't understand it--

Frankenbach: We just quietly swept that one under the rug. [Laughs] I'm trying to think of another channel that was--I mean, Festival was--

Q1: Then there was Festival.

Frankenbach: Festival came around.

Q1: Now, did Tony lead that then, the Cinemax task force? Is that correct or—

Frankenbach: Lee de Boer--

Q1: --Lee de Boer, yeah--

Frankenbach: --may have led the Cinemax task force, but I mean, it probably included Tony, Tom [Thomas] Oliver. We had people from the sales marketing side and the programming side. I remember Lee being very much involved with that. He was the head of research at that time.

Q1: Did you ever stay around long enough to see Cinemax become the product that you all hoped it would be?

Frankenbach: Sure, because Cinemax was launched in--

Q1: '80 actually.

Frankenbach: '80, '81.

Q1: Yes, August of '80.

Frankenbach: I left in '91. So yeah, I mean, Cinemax ended up I think doing what we wanted it to do. Nice 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] that actually made money.

Q1: Yes. I have intentionally kept it short and come to the end of my must-ask list, but usually, we find that our Penn people, I can't even see them all, have questions to add to mine. Penn people, are there questions to add to Princeton and Columbia sitting in--

Frankenbach: Penn people are all women, so we could dig into that some more. I did a nice cover on that one, didn't I?

Q2: Yes, I'd love to hear more about--you're saying that in the '70s when you started right out of business school at HBO, this was the time when there were a lot of women out of business school going into different companies. I wonder, if you could make a comparison based on people you went to Columbia with, what it was like to be a woman at HBO versus other companies or if you could just elaborate on that a little bit more.

Frankenbach: That's a good question. Coming out of Columbia Business School, a lot of the people went into New York City businesses. The big places that they went were down to Wall Street, into banking, largely commercial banking, investment banking, little, little bit, not too much. It was not what it is today. Then folks would go into very established marketing companies like the dean wanted me to go to like Procter & Gamble and PepsiCo [Inc.], and so on. Big difference was that we were a startup company starting in the '70s. There was no history of the old boys club established in this division. The people who started the division were thirty eight, thirty nine years old. We were in the media business and we didn't even salute to all the traditions of Time Inc. Time Inc. was much more of an old boys club.

HBO had this opportunity starting in the '70s to be different, and it was. I give a lot of credit again to the men who started HBO. Probably going back to Charles [F.] Dolan, whom I had the pleasure of working for much later in life, who also was very open to women. In the '70s starts this little company in the media business that is really attractive to women. It hires a lot of women and starts its own traditions.

Now, I made my comments about women not necessarily making it to the C-suite [note: in management, the group of officers of a business organization who have the word "chief" in their titles], but we were brought in. We were colleagues. There was a time in around '81, when some of the women got together and said, "You know, we think there are some problems here. We think one of the problems is sometimes we're not taken as seriously, or because there's such banter, male banter and stuff going on we're left out of that. Or maybe there's a little too much fraternizing that's going on, and that because of that, women find themselves in difficult positions." Did I phrase that all right?

Q1: That was nicely said.

Frankenbach: So a committee was established and--this was in the sales and marketing side--went to the head of the sales and marketing side of the company and said, "We need to talk about this." There were seminars set up where men and women got together, and talked about these issues which were the byproduct not of an old boys club per se, a young boys club that was--in some ways, the guys were trying to figure it out too. I always appreciated the fact that those meetings happened, and that people dealt with the issues.

I think all of what I'm describing is very different from what colleagues of mine in business school experienced when they went to Chase Manhattan Bank or they went to Wall Street, which was really male. Procter & Gamble, better. Some of the packaged goods companies better. But boy, the women who went into finance didn't have anywhere near that kind of a feeling that most of us did working at HBO. I think it was quite unique, and it really had to do with when it started, and the type of people who were running it. The industry we were in, it was very exciting because it was new. It attracted people who liked all of that. We also didn't hire the kind of people who were, if you will, the kind of guys who were not going to be able to work next to a woman, comfortably. I think it was--the culture begat more people like itself, and so we hired a lot of very open-minded guys, which helped a lot.

Q1: Sorry, I lost my train of thought. I'll delete that for the moment and it’ll come back to me.

Frankenbach: I would also say, I would add to this: HBO also became known as a place where many relationships were forged. Friendships, lifetime friendships, marriages, romances, all of it went on at a very high level. I would say that half of my best friends, maybe even three-quarters of my best friends today, after all these years were people I met at HBO when I was twenty seven to thirty one. Marriages, big romances--that was the other thing that was happening. Again, an indication of how much the men and women liked each other, and how the women liked each other, and the men liked each other. All part and parcel of how a culture can really work to make women feel comfortable, and men feel comfortable.

Q1: Further questions?

Q3: I have a little bit, I don't know if this is a really fun question, but I was struck by when you were talking about--sorry. Can you see me?

Frankenbach: I see you.

Q3: It's interesting because you said when you came out of business school that you're like, "Well, movies at home, who wouldn't want that?" I feel like I haven't had a sense maybe, I only [unclear], a discussion of how people's interest in film and movies, how that somehow influenced the culture of what you were doing that made it different than say, Procter & Gamble or--

Frankenbach: A very good question. We were not selling toilet paper. We were not selling cigarettes, we were not selling coffee. Many of the people who joined HBO found that really important. I was not someone who was ever going to work for Procter & Gamble. I just wasn't interested in selling Pampers [note: a line of baby and toddler products owned by Procter & Gamble]. I loved the idea of being in the communication business. I didn't join as a movie-aficionado, but there were plenty of people who did, particularly on the programming side of the business.

We all liked what we were selling. We were excited by it. As we began to create programming, many of us would just love our comedy specials. To watch Robin Williams [note: an American actor and comedian]. I got a chance to go and watch him live at Lincoln Center as we filmed him for three and a half hours nonstop. What fun! I mean, I had to shepherd Jerry Seinfeld [note: an American actor and comedian] around one night when he was doing work for us with our affiliates. What fun! Yes, the nature of what we were doing for a living added to the fun of it, and also attracted a certain kind of person.

Q1: It is fun to be in the show business. I mean, they don't call it show show, they call it show business because it is a business, but it certainly is more fun than toilet paper, toothpaste, and Pampers. It just is. I can remember HBO meetings and you'd be crabbing to someone about something: your budget was being cut or that was a crazy idea because of this and that, and [grumbles], and you'll rot in hell forever if we do it. Then someone would just say, "Hey, we're talking about television here."

Frankenbach: Yes, that's right. If anybody got serious, we certainly would say, "Hey, this is just TV." What a fun thing to be part of. Also, I know this doesn't seem very exciting now, but uninterrupted movies was just huge. This whole new vehicle, I mean, now everybody's cutting the cord, and we're streaming, and so on, but cable, and the idea that you could have more than thirteen channels. When we started, the average number of channels on a cable system was about fifteen or sixteen. Within five to eight years, it was more like a hundred. As systems started to upgrade, particularly big cities, and when the big city systems were being built, that's what they were built with. Here, we went from a world where there's no internet, there's radio, but we have thirteen channels, and all of a sudden, we're looking at twenty five, thirty, fifty, a hundred. Again, fun product, fun new industry. Pretty darn good mix.

Q2: Another question that I've been asking at all the interviews is, if you're going to do some future casting, HBO was so innovative at the time to be showing movies on TV. Who is the media company now that is what HBO was then, that is doing something particularly innovative or interesting in your opinion?

Frankenbach: Well, I bet you most of us would like to say Apple [Inc.] because I look at media, electronic media, now very differently from the way certainly we looked at it before. In my career, I actually went on and worked with Charles Dolan on new ideas, and worked on some digital channels, and I'm running a little company now that does online things. What's going on online is the counterpart to what was going on with us when cable started. I think that companies now--Netflix [Inc.] is doing some interesting stuff--but companies that are now using new media, to using the internet, doing digital things and are on the forefront of that, are most like us. Now, Apple's also a hardware company, but it's just a brilliant creator of new things. So I would like to think that HBO would be like Apple.

A number of us have said in recent years that for young people getting out of school and choosing where to work, the closest comparison to us in that hay day, in that '79 to '82 period, the closest things were Microsoft [Corporation], and then Apple, and now Facebook [Inc]. It's a very similar kind of thing where it was not easy to get a job. I talked about the table with the pile, I mean, literally, pile of resume that, "Oh, this has got Harvard, and Wharton [School of the University of Pennsylvania]. Oh, yeah. Just another one of these." We had a hard time figuring out how to sort out this stuff. I think very similar to the Apple's and the Facebook's today.

Q1: By the way, you said you had eight interviews. I had twelve--twelve interviews before I was hired. I couldn't imagine.

Frankenbach: Well, and some people went months. I was on some crazy track where I got a job in a day and started the next week.

Q1: I'm sorry. Did I attribute the eight interviews? Was that actually someone else who told me they had eight interviews?

Frankenbach: I may have said the eight people that I met at my interview--

Q1: Okay, maybe that was it.

Frankenbach: --but it took them four hours.

Q1: It took weeks and weeks to get through those twelve, believe me.

Frankenbach: I felt so lucky that--I literally walked out of business school one day, came to an interview, and within a day, I had a job offer. I remember I got on the phone and talked to a friend, and I said, "This is crazy. I knew nothing about this company yesterday. I'm taking a job right now." That was just the way it was.

Q1: Many people, apropos of your question too about the--and Linda was discussing the environment, my job, as it happened, would mean that I would do a lot of business with people who didn't work for HBO or weren't even in the cable business, and they would come in to talk to me for all the different things I was involved in. Almost without fail, at some point, they would say, "I'll tell you, the atmosphere around here, it's electric. I've felt it the minute I walked in. It's amazing, this atmosphere that you have here." At first you think, "Well, it's someone who's selling something and they're trying to be complimentary." But if the last twenty people you saw all said something like, "Gee! That's probably true. They didn't all make it up."

Frankenbach: Saying that makes me think of one more thing that dominated, and that was humor. Drink, dance, and be able to be funny at work. Those were the culture things. People were so funny. I mean, we had people who were doing nerdy jobs, who just could get up and do stand-up. I mean senior management meetings were hysterical. We did the work too, but everybody had this sharp wit, and a couple of people who had it made it to the top.

Q1: Yes. It was a very verbal group of people.

Frankenbach: Very verbal.

Q1: People who are watching this have all heard the name Tony Cox over and over again. I quote him almost daily. He had expressions for everything.

Frankenbach: "Do the dogs eat the dog food?"

Q1: "That doesn't mean shit to a tree." I mean, you'd hear that all--people communicated well, which I guess for a communications business is not unimportant.

Frankenbach: The humor, it was above and beyond. I mean, very, very funny people. Michael [J.] Fuchs on his feet.

Q1: Oh, my God!

Frankenbach: Amazingly talented. Matt [Matthew C.] Blank on his feet, right? Jeff [Jeffrey] Krolick on his feet. Larry [Lawrence A.] Aidem...

Q1: These are people who, Linda is correct, you'd think this would be a management conference in some hotel in Florida, and you'd think these guys were doing stand-up, but--

Frankenbach: "Who hired the comics? Oh, he is the CEO," right?

Q1: Yet there was very serious business discussed too. You had to be a very good communicator. I once sat next to Michael Fuchs on a panel, an internal panel, and we all were supposed to declaim on something or other, whatever it was, and I had spent, of course, weeks trying to prepare mine, and make it intelligent, and I'm sitting up at the front of the room. Michael is sitting there going, "What are you doing? What are you doing?" Whispering, he says, "I got to talk in ten minutes from now so I'm writing my remarks." He could do that. He could--

Frankenbach: It was a wonderfully talented group in so many ways, yeah, in so many ways. Made it fun to go to work. Matter of fact, many of us never wanted to go home which also led back to some of those other things I was talking about.

Q1: Our previous interviewees said the same exact thing, and I think we would all say that.

Frankenbach: Oh, yes. There was a reason that--sadly, a lot of marriages broke up. People who came to the company, and again, we were young, but we came to the company married, and we didn't stay married. It happened more than it should have, but it was partially because this was such an extraordinary place to spend time, and this was such an extraordinary group of people to spend time with. We just fell in love with each other. There you go. When old HBOers [sic] get together, and there were others at the table, I always feel bad for the others at the table because somebody will say, "Do you remember that time Steve [Steven M.] Brookstein came in on the elephant?" "Yeah." "And what was that elephant's name?" "Stoney!"

Q1: Stoney. [Laughs]

Frankenbach: "Yeah, yeah, yeah. Do you remember-- Do you remember--" whatever, and we'll go on for hours. We're ridiculous about it. I would say that anyone who has an opportunity to work for a place like that in life had pulled the ace out of the deck, and it doesn't always happen. The other thing, for many of us, this was our first real job, and we thought this was life. We thought this was the way corporate life were. "What do you mean? You don't go out to dinner and have six bottles of wine with your colleagues?" Every week there'd be some party. Close the door, open champagne. We had to celebrate something.

Q1: “A pour” as a noun.

Frankenbach: “A pour.”

Q1: We would have “a pour” for someone.

Frankenbach: We'd have “a pour,” right. We thought the young ones amongst us, and I was one of them in those days, we thought this is what corporate life was. When I started to talk to people who worked at other companies, I would say, "Oh, you poor thing. Really? That's what happens?" Anyway--

Q1: By the way, you know what? No one has mentioned before, and you just reminded me of, four weeks vacation for everyone, no matter how low.

Frankenbach: Oh, that's for starters, yes.

Q1: Yes, for starters, and a sabbatical after seven years.

Frankenbach: Yes, that was a wonderful thing. That was a Time Inc. tradition. Of course, half day Fridays in the summer, but it didn't make any difference because you'd work because you wanted to. We would also always travel. A lot of us traveled a lot together. That was also a bonding experience. Good times. Good times.

Q2: Could I ask one more question?

Q1: Please.

Frankenbach: Sure.

Q2: I'm just wondering, when you guys get together, it's just you're back there, and-- What's the story that you tell over--if you can tell it, if it's not too--if you feel comfortable telling it on film. What's your story that you come back to and have to tell when you're with the old crew?

Frankenbach: Most of them I can't tell, right? I can't tell you about--there are wonderful personal--

Q1: You could tell it without names.

Frankenbach: --back stories. I think I'm not going to go there.

Q1: Okay.

Frankenbach: That's another movie or that's another book. Many of us have said, when we no longer have any reason to worry about anything, we're going to write that book because the personal back stories here are extraordinary. I'm trying to think of--we talk about--I mentioned this elephant coming in. We had sales and marketing outings every year, and the programming department had an outing every year. There are numerous legends from these. One, there was an outing in Jamaica where a member of the programming department managed to drive the golf cart into the ocean.

Q1: I thought that was Puerto Rico.

Frankenbach: Maybe.

Q1: No matter. No matter.

Frankenbach: I don't know. I don't know.

Frankenbach: Under the influence of we won't talk about it. We had those.

Q1: Story remains.

Frankenbach: We had the SamCon [phonetic] where we show up, I think it was the first big one, all of senior management is in camouflage outfits with black stuff on their face looking like they've just come out of the jungles of Vietnam, and that sets the tone for this is your very important three-day sales and marketing meeting. Oh, here's one. There were events every day at these things. Evening events, and you had to play as hard as you worked. There was a prom one night where everybody had little dance cards.

Q1: That was at Marco [Island] in Florida.

Frankenbach: That was Marco, and everybody had to come dressed up. That was something that got the women going afterwards because they said, "That was very sexist." There was also--oh, one of the favorite ones at SamCon, fabulous. We're all on the beach, we're very competitive, right? We divide in teams. Tony Cox has got everybody going, "Ya, ya, ya." We've got teams, and we know there's something--we're going to compete with each other. They tell us to stand on the beach, "Wear your bathing suits." Okay. We're on the beach. All of a sudden, we see a helicopter that's coming out from the distance, and we're saying, "Could this helicopter have something to do with what we're doing?" All of a sudden, the helicopter offed [phonetic] in the water, drops hundreds of tennis balls. We don't know again what the game is, but all we can figure out is we got to get the tennis balls. So this entire team, men, women pushing each other aside, going for the tennis balls. We get the tennis balls. Then we realized they have letters on them. So then, "Oh, okay. What it is? We got to spell something." This was just a little bit of our outing. Get the helicopter, get the tennis balls.

Those were the outings, but we had day-in and day-out experiences that--I remember one. You talked about maybe the policies being a little bit too free. I can remember one member of the sales department who was going to visit a client in Philadelphia. We all used a service, a car service, called UTOG [Corporate Car Service]. I guess he hadn't left enough time to get to Philadelphia the way he should have gotten. We see him racing out, the next minute, he gets in the UTOG, drives to Philly. The UTOG waits for him and drives him back. Now, to give you a sense of the fact that we did set some parameters that did not go over well, that was--hiring a helicopter, that's fine, but the UTOG--and that guy did disappear in the next month or two. Those things became like, "Do you remember the time that--?" Many of them--

Q1: There was also sometimes these, as Linda indicated, became serious too, and she actually indicated a situation. There was another something or other meeting at either the Greenbrier [note: a luxury hotel in West Virginia] or its competitor. I can't remember which--

Frankenbach: The Greenbrier.

Q1: The Greenbrier, and there was at the time some questions about responsibility for success and failure between the programming department and the marketing department. At one point, the beloved Tony Cox whom you've heard us talk about very often said, "Of the programming and our customers, speaking metaphorically, of course, the dogs don't like the dog food." In other words, he was saying, "Our customers are not happy with the programming," but on a serious note, this led to a misapprehension by the programmers as I recall it that our programming was in fact dog food and as such was not satisfactory for the marketing department. A schism continued for some time--

Frankenbach: I didn't know that story. I know the phrase--

Q1: --because of that.

Frankenbach: --but I didn't know the story.

Q1: That's where he first publicly used that. My story, it just occurs to me, is an interesting example. Sometimes how this culture of “get together, and talk it out, and everybody speak, and let's go to a nice place,” and so on had unintended, in this case, negative consequences.

Frankenbach: Well, indeed, with all of that said, of course, this was a very smart, very competitive crowd. There was internal competition, no question about it. The programming group and the sales and marketing group were probably, that was the biggest division. That was the north versus the south. There were some competition there, but there was always competition around. It was a corporate environment.

Q1: The question was, if the company was as successful as we all believe it was, who was most contributing to that? Was it the product people, or was it the people who marketed what was in effect a parody product at the time?

Frankenbach: That could be debated, couldn't it?

Q1: Yeah, exactly. I do not intend to answer the question.

Frankenbach: I'm not going there.

Q1: Further questions.

Q3: It's 4:30. I don't know--

Q1: Linda is still okay. So--

Frankenbach: I'm fine. I don't have to leave until 5:30. If there's anything else?

Q1: Please, guys, if you've got it, we want to put it on tape.

Q3: [Inaudible] questions really.

Q1: We also may be done.

Q3: Well, I don't know, maybe because this is going too far into programming, but I'm assuming that the type of product that was being marketed by HBO and sold by it has changed. I don't know if it changed tastes or changed peoples' preferences and I feel like since you were there at the start of Comedy Central, that was probably a taste for something that came out of the comedy specials and it wouldn't have existed without HBO. I don't know, am I making too much of that?

Frankenbach: The start of the comedy category--

Q3: I'm just wondering how you think HBO as a product changed the tastes of America for product on TV.

Frankenbach: I'm probably not an expert on this, but I have a perspective. First of all, the first barrier that was broken was that we offered uncut movies. Therefore--and we were pay, so that we were able to step beyond the boundaries that were constraining commercial television. That was the first step of opening some doors. And initially when we started there were child protection devices, there still are, to stop your child from getting certain channels. I don't think anybody uses them. So there was sex, violence, and bad language that all of a sudden came into the household, and that was new.

Then HBO as it developed its own programming in the early days, and particularly came out in comedy. George [Denis Patrick] Carlin [note: an American actor and comedian], all those words you couldn't use on television, he could use on HBO. Robin Williams could go places that could not go on broadcast television. We were breaking the boundaries very early on. Then when HBO, which was really after I left, started to create things like *Sopranos*. We were now full-blown creating very unique types of television. That again was edgy; would go to subject areas that again broadcast television was never going to. Not then, it's evolved a bit.

I think that HBO and other channels, Showtime, just started to break down barriers. MTV did as well, but MTV, commercially supported, so MTV also had to deal with its advertisers, and HBO didn't. I think that all of that was led by HBO, and I think we've seen dramatic changes in what's both on pay TV, but what's also on broadcast television I think since those early days of HBO.

When we started Comedy, you would laugh at what we first head on. The Comedy Channel that came out of HBO, and by the way, not unusual is it, that the first other channel outside of its core movies competency would be comedy coming out of HBO, given what we've told you about the culture of the place. The CEO at the time, Michael Fuchs, could have been a stand-up comic. Real propensity within the organization to do something in comedy. That's just a little back story. We showed Michael a lot of other ideas too, but comedy was definitely the one he liked. When we started it, it was much more clean than it is now. We had little clips of comedians, and we had little shows we're creating. It was pretty bad actually. I was the one who had to sell it to cable operators, and I sold it on the basis of one really good promo wheel that we did. I would hope that they didn't turn it on, I mean honestly. If they had it on, I knew I was hosed. I had to just keep showing this thing, and pictures, and all of this and just, "Please, don't turn this thing on." It evolved. We merged with Ha! [note: one of the first American all-comedy, basic cable channels owned by Viacom] within I think six months of launching, and it became Comedy Central. Then it's grown, of course, in its edginess, and so on. But I think the point is well taken that really it's HBO that started that trend. It changed, of course, our culture now. It's so much different in terms of what's acceptable.

Q1: There are programs on broadcast television today that might not have even been acceptable in the early Comedy Channel days.

Frankenbach: That's right.

Q1: That's how far I would give as a measure.

Frankenbach: Yes, I think that's right. That's absolutely right. Yes.

Q2: Did you have pictures earlier or did you have-- I thought you were signing those pictures.

Frankenbach: They're not of HBO. I do have pictures, but I don't have them here. I should have thought to bring--

Q1: Pictures of HBO events and such?

Frankenbach: Yes.

Q1: If we could, we could talk off camera about that, because we want to put those up on the website and have other people able to see them, obviously, whatever you're comfortable with.

Frankenbach: Yes. Oh, I have some great ones of a couple of senior executives with scuba masks and flippers standing on a beach in Hawaii--

Q1: Fabulous.

Frankenbach: --entertaining our clients. That's it. That's pretty much what we did.

Q1: There was another big client entertainment event that hasn't come up much in these discussions, but was typical of the way HBO and the cable world interfaced.

Frankenbach: The Super Bowl?

Q1: The Super Bowl.

Frankenbach: I was just referring to Hawaii, yes.

Q1: Yeah, because there were two approaches. For the first some years, we would take, call it a hundred people to the Super Bowl and bond for almost a week as you can imagine. Then later on, when they started putting the Super Bowl in places that no one was really that interested in going to--

Frankenbach: Detroit killed that.

Q1: --Detroit was the first one. Actually, I was the one who went to Detroit, poked around and said, "We can't do an event here--a week here in Detroit." But we would take people to Hawaii and to--

Frankenbach: I remember I was part of the senior team that would go to these Super Bowl events. We would take our hundred best friends in the cable industry, and their wives. It was a huge boondoggle. It was five, six days.

Q1: It didn't pretend to be, actually--there was not even a conference dimension to it.

Frankenbach: No. Intentionally, there wasn't a single formal meeting, and it was just about bonding. It was as extravagant as you could imagine. It was the most amazingly orchestrated thing. I think in those days, it actually went a long way, again, solidifying those bonds between HBO and its customer. These were the CEOs of all the major companies.

Q1: It answers the question that I asked you, and I've asked many people about why HBO is able to pull away from competitors in one way or another, and these bonds that we keep talking about from Super Bowls or from all kinds of other things just pushed it beyond the usual buyer-seller, distributor-vendor relationship.

Frankenbach: I think so. I mean, I like to think so. I hope I'm not overstating this, but HBO had the privilege of hiring the best and the brightest. When you send people out to deal with an industry, and you've got the best and the brightest who can drink, dance, and are funny, what's not to bond with? It was a very smart strategy. There were deep relationships, and that can never hurt in a business.

I mean, ultimately, other products comes along, but those deep relationships really were very important, not that it didn't get contentious. As the cable guy got bigger, the cable guys made it much tougher on us suppliers in terms of negotiation, because he was getting more and more leverage. If you had a million seats out there and you're negotiating with your supplier, you have a lot more leverage than when you only had fifty thousand seats.

Q1: It was also an industry that we got into, but the industry had a tradition of local, regional, and national conventions. That played into the sing, dance, be funny situation that Linda has brought to our attention, because we did an awful lot of that, which again led to the bonding, whether it was a private show by whoever--I ran the shows, I should remember.

Frankenbach: Diana Ross [note: an American singer].

Q1: Diana Ross. Whether it was a private show by Diana Ross or just the world's longest cocktail hour with the best foods ever.

Frankenbach: We did--

Q1: We bonded, bonded, bonded, and that kept helping our business.

Frankenbach: We spent, and we spent, and we entertained at the highest level. I can remember when I first married my husband, one of the first things he got to do with me after marrying me was to go to a Super Bowl event. He worked in the financial industry. I sat down with him. I said, "All right. Let me explain to you what this is going to be." I said, "You don't have to bring your suits and ties. Bring your Hawaiian shirts, probably don't drink for a month before you go, and you were going to be playing for five days with all of these people." I think the first time anyone was exposed to that level of HBO's grandness, it was always really, really amazing. It was quite the deal.

Q1: All of this with chartered planes, first-class air tickets, et cetera, et cetera.

Frankenbach: Now, the HBO of today I think is much more calm.

Q1: Yes. Remember, we're talking about the '70s and '80s.

Frankenbach: We're thinking about the absolute go-go days, which was particularly before that first hitting of the wall which I think it was about '83, '84 when--Oh, I remember what it was, and I don't know if you're going to talk to Jeff [Jeffrey L.] Bewkes, but he made the presentation.

Q1: We're going to talk to him a week from today, a week from yesterday.

Frankenbach: Get him to talk about the wall. Jeff and his team, again, everybody's twenty eight years old, has a business chart for us, which is showing that with all these new cities coming on and all this new cable stuff, that the universe is just going to keep going like this. Well, what happened is that all these new builds, as we call them, started to slow down. We didn't have the numbers of new seats coming on. We had over-projected. That was my experience for the first time of getting our wrists slapped a little bit for being overly exuberant. That was the first time I recall HBO ever having to lay people off, which was devastating because this is family. I think it was right before Thanksgiving, and it was very tough. Again, all part of a business setup.

Q1: What was Jeff's job at that time?

Frankenbach: Jeff was always the smartest kid on the street. He and I started the same week. You can tell Jeff I said this. We've always been good friends, and he's a great mentor to a lot of people. Jeff was hired in. He had more experience than most of us. He had gone to Yale, Stanford Business School, worked at a vineyard, and then worked for Citibank. He was brought in to be a financial--he was in a financial group reporting to Tom Oliver, and doing projections, financial projections for sales and marketing.

Now, he quickly was whisked out of that on to the next job, on to the next job, but he and a gentleman named Ken [Kenneth D.] Inadomi came up with these curves. They're called the PCI Index, Pay Cable Index. I still remember this. They have all these graphs and were really cool, "Okay, HBO guys, you take this out and show the cable guy this is the way the business is going to go." "Okay. We're the smart kids. We'll go explain these curves and what not."

Jeff was in charge of doing projections at that time. I remember that that was--we all felt he was--he'd never, ever misstep at all, but everybody missteps. We had these projections, didn't happen, and boom! That was our first setback. In that era, of course there were other setbacks earlier, in the bouncy days, but that, you'd have to get from Chuck and Nick.

Q1: The serious question, did people have in your opinion, you or people in general, a sense of where Jeff would go?

Frankenbach: I think for me, and I can’t speak for all my colleagues, we all knew he was the smartest kid on the block. There was no question that his talent was such that he could go all the way. How do you ever project whether someone starts as a financial director--an analyst director in a company--and ends up as the CEO of the entire parent company? It's always tough to be able to say that in the beginning. I would say once he became the CFO of HBO, and then the CEO, then it was--I always felt that he was amongst all of his competitors, he was the guy. He's proven to do exactly what he wanted to do which was to turn the stock price around. His is quite a career. It's again unusual, you asked me did I ever think that I'd stay in the same company for twenty years, ask that of Jeff who started in June of 1979 and he is still there--

Q1: --Thirty-five years later--

Frankenbach: --and running the place, and probably doing the best job I think anybody could have done dealing with a stock price that had been so devastated and so low for so many years, reviving it, and moving ahead. He had tough decisions to make; right guy to do it; get rid of the dead wood. Not easy to spin off Time Inc., but focus on where your profits are and where your core business is, and Jeff’s done it all.

Q1: I thought that question occurred to me, because I will never forget a conversation I had with my own parents who went to public high schools in Boston [Massachusetts], and then to Harvard, and Radcliffe with Leonard Bernstein [note: an American composer], and were in the same business as [him]. My father and mother on the executive side--Lenny, obviously being Lenny. I will always remember my mother saying, "We always knew Lenny was going to be great and special. We didn't know--" and this is just you said, "We didn't know what it was going to be, but we knew that he wasn't like everybody else, and he became Leonard Bernstein." I think to a certain extent, that's your Jeff story too.

Frankenbach: Right. Tying back to my mentoring thing, I was quick to see Jeff as the smartest kid on the street, and very quickly would go to him for advice, business advice. He always gave me great business advice. He'd close the door, "Okay. Let's talk about it. Get right down to it. Okay. This is what you ought to do. Don't let them tell you that. You tell them this." Boom! "Thank you, Jeff." It was always smart, and always good. It's actually for those of us who grew up with Jeff. I'm sure there isn't a single one of us who isn't delighted for him. As a stockholder, I'm delighted he was there.

Oh, that's something else. I don't know if anybody mentioned this to you, but some years ago, there was a reunion, and there should be more reunions. Former CEO of MTV networks, Tom [Thomas E.] Freston has asked HBOers, "You guys had such a bonded organization. Why don't you have reunions all the time? We do." And we probably should. But there was a great one in the early '90s. I got a printout of everybody at that reunion, and I think there were maybe three hundred of us. I went through the printout and took a look because most of us remember each other, and have tracked each other. Somewhere in the vicinity of sixty percent of those people who had been together at HBO, and were at this reunion, went on to be CEOs of some company.

Q1: --of something.

Frankenbach: Pretty amazing. It says something about the talent pool. I think today the Apples hire like that. I think in Microsoft, it's a little passed it, but when you really hire raw talent at age twenty five, twenty seven, and you give them opportunities to grow and what not, you're going to watch those people go off and do great things for your company and for others. Jeff is one who stayed home. I think there were many of us who thought he certainly, I'm sure he has had many opportunities, and he could have left, but how great he is there.

Q1: The University of Michigan football coach, Bo [Glenn Edward] Schembechler said, "Those who stay will be champions."

Frankenbach: Well, sometimes that works.

Q1: Yes, sometimes it works. It worked for you.

Frankenbach: Sometimes you need to leave to grow to the next step. One of the great things about for many people at HBO is you could stay and still get to the next step. But, there are only a couple of people of our generation still at HBO.

Q1: Sheila Nevins is one.

Frankenbach: Sheila Nevins is one. Tom [Thomas M.] Woodbury.

Q1: Woodbury's still there. That's right.

Frankenbach: He is the general counsel. Robert Jaffe just left. I don't know that I can tell you too many of—

Q1: There's one assistant I was told recently on the administrative level. I think that's about it. I don't think as we just put that list together in the last ten seconds.

Frankenbach: I think that's about it.

Q1: I don't think there's many more.

Frankenbach: Yes.

Q1: I think there are no more, would be an accurate way of putting it.

Frankenbach: I think it's great that you all have chosen an interesting list of players from that day, including Charles Dolan, who by the way was invited to this HBO reunion. Most of us never knew him. He was a legend, and never knew him because he was gone. I guess he was gone by '74 or '75.

Q1: Certainly by '75.

Frankenbach: Yeah, and then that was a big turnover then, and then most of the people that you're interviewing probably came in then. It is so interesting to go back to the guy who had the seeds of the idea, and to still be able to talk about this company from his perspective, and then to be able to talk to Jeff Bewkes, who because of HBO, grew up and ended up running Time Warner [Inc.], but you've got a lot of talented people in the crowd.

Q1: Yes, for sure. Any more?

Q3: I had a question.

Q1: Good.

Frankenbach: Yes?

Q3: I know there is two sides to this culture. One being clean and calm, and then one being edgy, and you touched on how you tried to transition to clean with Festival, if I'm not mistaken, but then now you have the equivalent with HBO Family. Why do you think the transition was harder with Festival versus Family?

Frankenbach: Well, that’s a good question. It has to do with the time, and the place, and what we were trying to do with Festival. We were actually led to the idea of Festival by one of our biggest clients, the CEO of TCI [Tele-Communications, Inc.], who named John [C.] Malone, who got together with the CEO of HBO at the time, and talked about the fact that there was probably an opening there for a more cleaned-up HBO.

We launched it as another pay television channel. It fell in there just like Showtime and Movie Channel, and so on. The truth of the matter was, we took it to, I think we had it in about forty or fifty cable systems. We did it on a limited basis because we were trying it out. What happened is there weren't that many buyers, that actually, there was a halo effect [note: the tendency for an impression created in one area to influence opinion in another area] in the research. I see this on a lot of things. People will tell you sometimes what they think they should be saying. When the research was done about, "Would you like something that doesn't have sex, violence, and bad language, and really is more family appropriate?" we had a lot of people say yes. The truth of the matter is they didn't actually want it that much, or maybe they really didn’t want it at all, but when we launched Festival, very few people bought it in these cable systems. I was in charge of this, and we went back and marketed it three, four times. We couldn't really push the needle. As a standalone pay service, it wasn't going to get channel space because maybe it was only going to get 0.5 percent of the cable buyers to buy the channel, or one percent. The cable guy is very careful with his channel space, and wants every channel to do something. So it was not strong enough.

When HBO went on and created the multiplex, and HBO decided that in order to continue to grow its business, it ought to offer a bunch of different channels all as part of the package that you get when you buy HBO. The family one didn't have that problem because it didn't have to standalone and get bought by the consumer. But there have been over the years other shots at this thing, but mostly, basic cable services, advertiser-supported. The trend line is not going towards cleaned up family stuff. I think we've established that, right? Tony Soprano [note: *The Sopranos* television series]--no, I don't think that's the direction, right?

Q1: Yes. I think that halo effect is hugely important in the failure of the Festivals, and so on, of the world. If someone, as a research respondent, someone has asked, "Would you like a channel--" "No! I wouldn’t like that!” No one is ever going to say that.

Frankenbach: Not about that kind of a channel.

Q1: It's just very difficult to get.

Frankenbach: Sometimes research can mislead you. Mistakes certainly have been made over the years based on research. Once you get it up there, there's your ultimate piece of research, and the consumer does feedback. That said, however, there are a lot of channels that start as really bad channels, and it's not that the idea is bad. It's just the channel is bad, the execution. To wit, I must say that our Comedy Central was not a whizbang 24-7 channel, but the seeds of the idea, the idea that we could create 24-7 comedy that would get an audience and that could be a business, that was right. Our shows just weren't good. Most channels, startups, will tell you that what they started with was what they put together to get up and running, and they would evolve over time, and most got better and found their niche.

Some had visions for getting better and never did. I mean, there was one channel called Oxygen that was started by a couple of very, very strong women. Oprah Winfrey [note: an American actress, media business owner, and talk-show host] was one of the investors. Gerry [Geraldine B.] Laybourne, who created Nickelodeon, was one of the founders. There was a vision there for a women's channel and it never found its footing, and yet led by some very, very talented people. There's an example for one that never found its footing, and what it is now, I'm sure Gerry just cries when she looks at it if she ever even turns that channel on.

Others like Comedy, made its way. HBO in the early days, aside from the movies--polka festivals? Not too much. Wasn’t great stuff. Boxing was of interest, some of the sports stuff, but again, evolved and got better. Food Network, didn't have--Emeril [J. Lagasse] [note: an American celebrity chef] came along and made that into a channel, but when Food Network started, there was no such thing as celebrity chefs. So it took a while to find its footing. Its ratings from the beginning were very, very low.

Q1: I remember Levin saying, either it’s a famous quote, or maybe he said it to me personally or both, I'm not sure which. He agreed with it when we asked him about it in the course of his interview for this history. His quote was, apropos of research, “If we had researched HBO, we never would have gone with it because it never would have researched successfully."

Frankenbach: I think I remember Chuck Dolan saying the same thing to me.

Q1: Some things you just can't research.

Frankenbach: You have to go with your instincts.

Q1: People didn't know that they needed what HBO was selling. Once they had a chance, they demonstrated that they love it.

Frankenbach: Steve [Steven P.] Jobs [note: an American entrepreneur and co-founder of Apple Inc.] said often, "People don't know what they want. They'll find out that they want it when I give it to them." Now, that's a really interesting, some might say arrogant, but in his case, correct.

Q1: It's a less polite way of saying a similar thought to Gerry's.

Frankenbach: Well, yes, and particularly if your technology is new. How can you even begin to contemplate what it is you're getting and respond in a focus group or the like to what it is, when you really don't know?

I would just say apropos of the beginning of HBO, having had the pleasure of working with Chuck Dolan for a couple of years, it's no surprise to me that he was the conceptualizer because I think of everybody I worked with, he was the most--he was the real deal of an entrepreneur. Not a guy who needed the research--the guy who would study the market, analyze it, do enough, sit down with other people, ask a lot of questions, learn from other people, and just would often ultimately go with his gut. I can remember, I never worked with anyone like this, that at times when we were looking at new ideas, Chuck would just look at me about something. I'd give him five reasons why based on history or what something wouldn't work: research, "Yes, here it is." I'd do my presentation, my PowerPoint and everything, and then he'd look at me at the end, he'd say, "That's all really interesting, but how do you know?" "What do you mean how do you know?" "No, Linda. How do you know it won't work?" When somebody pushes you like that, and he's also a brilliant entrepreneur, you do stop, and you say, "Well, I guess I don't really know, know. I just--" I think sometimes that's what it takes for something to get started. Research isn't necessarily telling you, but you see and feel, and if you're smart enough, market things, and you come to some conclusions.

Best course I ever took in business school, and it was the only one on entrepreneurship. It was my best course. These days there are whole departments; in those days, one, just to show you the difference between getting out of business school in the '70s and getting out of business school now. One course. I remember the professor saying, "The best preparation you can have for finding a business is reading the paper every day." He said, "Read the paper every day. Be sure you understand what's going on." Businesses emerge from people's perceptions of things that are needed, that are absent, that are--I always thought, the things I learned from Chuck and what I learned from that professor I thought were really good things, and that's how HBO got started, right?

Q1: Chuck says he wrote it out on a yellow pad in a house in Provence on the top floor while his kids were playing in the bottom floor.

Frankenbach: Yes. He'd come to work with things like that, even ten years ago. That's great.

Q1: More? We may be done.

Frankenbach: Okay.

Q1: We are done. We are done. Tell us when you've stopped down and are no longer recording so that we'll know that you've stopped--

[END OF INTERVIEW]