Murdoch Makes It Work

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Mr. Murdoch's methods for financing his expansion — regularly revaluing his properties in a rising market so that he can increase his borrowings against them — are unusual for the publishing industry in the United States, but the techniques have become common in real estate and are widely used in British Commonwealth countries.

As for intentions, Mr. Murdoch has less of a global vision than a zest for deals. Unlike his American rivals, who tend to favor monopoly situations, he has no fear of competition.

"He is more an impresario than an emperor," said Carolyn Wall, general manager of WNYW in New York, the largest of Mr. Murdoch's six television stations. He does not set out to purchase a missing piece of a grand design for a global network. Rather, he seeks to develop connections among different parts of the company after he acquires a new property.

When Ansett Transport Industries Limited, an Australian airline company, refused to sell him a television station he wanted, he bought Ansett and its related trucking business. The transportation connection later helped him create a distribution system for his British newspapers that broke the hold of the Fleet Street unions over the industry.

The properties involved in the Triangle deal were TV Guide (the largest-circulation magazine in the United States) and three other magazines, as well as the Daily Racing Form and a magazine distribution business.

The acquisition, when completed later this year, will make Mr. Murdoch's News Corporation a colossus by any measure. In terms of assets, the company will be six times the size it was three years ago, "something

AT A GLANCE

News Corporation

"After people pass their mid-30's it is hard to bring them into a company. It's as if they were a foreign body being rejected by the host."

He hired as his circulation manager for The Sun, Britain's largest daily newspaper, a 31-year-old former comics salesman, John Townley. His advertising manager there is Jane Wroe, 30. At the News of the World, a tabloid with a daily circulation of 5 million, he installed Wendy Henry, 34 years old, as editor.

While those executives are providing creative spark, other executives have the job of maintaining order in a corporate structure that changes shape almost every day. Chief among them are Martin Singerman, the 62-year-old president, and Mr. Sarazen, 55 years old, the chief financial officer. Mr. Singerman, 62, joined the company in 1973 as the Star's first circulation manager. He had spent 17 years at TV Guide, where he had helped create the strategy of placing the magazine at supermarket checkout stands to entice housewives to pick it up every week.

Mr. Singerman, who grew up in the Bronx and went to college at New York University, serves as the quiet uncle in the family, congratulating others on their successes. He also serves as a talent scout and gate keeper, helping Mr. Murdoch identify promising young managers and working to move them forward. Mr. Singerman is modest about his contributions, but Mr. Murdoch would not settle a major issue without consulting him. "We talk all the time," Mr. Singerman said. "But then Rupert talks all the time to all of us."

Financial controls are the province of Mr. Sarazen, an accountant who serves as the chief financial officer of the News Corporation. They consist of a 50-page book, assembled each week, that provides a one-sheet summary of the week's performance for each of the dozens of companies in the group.

Every Friday morning by 11 o'clock, Mr. Sarazen's tan-covered very fancy demographics.

But the senior staff at News Corporation dismisses the idea that Mr. Murdoch had a grand scheme in mind to build a link between TV Guide and the Fox television organization.

"We don't plan that far ahead," said Martin Singerman, president of the company. "We have a budget for the current year, but nobody here does any long-range projections. We don't even write memos. We don't have time for that, and nobody can get Rupert to let us hire assistants."

Facing the Future One Deal at a Time

The lack of a long-term strategy produces surprising successes and spectacular failures. The News Corporation lost $150 million at The New York Post during the 10 years it owned the paper. Try as he might, Mr. Murdoch could never turn the Post around the way he had many other newspapers in Australia and Britain.

But he more than made up his losses on the Post in 1986 when he outflanked the British press unions and opened a new printing plant in Wapping outside of London. The new plant employed the kind of automated printing and typesetting equipment that had become common in the United States but which the unions had blocked in Britain. The new plant allowed him to eliminate 3,000 union jobs at his five national newspapers there. The savings in labor costs — $180 million in the first two years — went straight to the bottom line.

As a result of his coup at Wapping, the British portion of the group has been gushing profits, accounting for some 40 percent of the company's earnings with only 25 percent of the revenues. To take advantage of the momentum, the company plans to expand both circulation and the number of pages quickly to satisfy a demand that had been artificially limited by the unions' workrules.

Murdoch's Growth by Buying and Building

Some of Rupert Murdoch's major undertakings.

Acquisition	Status
Harper & Row: Purchased in 1987 for $300 million. Immediatedly sold half to an affiliate company for $150 million.	Cost-cutti…ased in 1987 for $300 million. after-tax e…lf to an affiliate company for year, from
20th Century-Fox: Purchased in 1985 for $600 million.	Profitable …rchased in 1985 for $600
Metromedia television stations: Bought seven of the company's stations in 1985, for $2 billion; sold one immmediately for $450 million.	Stations a…**n stations:** Bought seven of the fourth tele… 1985, for $2 billion; sold one last year. …0 million.
Times of London and Sunday Times (Britain): Purchased in 1981 for $28 million.	Now highl… **Sunday Times (Britain):** acquisitio… $28 million.
New York Magazine Co. (owner of New York magazine, the Village Voice and New West): Purchased in 1977 for $17 million.	Village Voi… **Co.** (owner of New York sold in 197… Voice and New West): profitable. … $17 million.
New York Post: Purchased in 1976 for $31 million.	Sold in 19… …ased in 1976 for $31 million. nearly $15…
The Sun (Britain): Purchased in 1969 for $300,000.	Former m… …chased in 1969 for $300,000. English-lan…

New Venture	Status
Electronic Publishing Group: A travel data base to include maps, photos of hotel rooms and rates.	Negotiatio… **Group:** A travel data base to … of hotel rooms and rates.
Wapping Printing Plant (Britain): Started in 1986.	Eliminated… **nt (Britain):** Started in 1986. savings to…
Premiere: Movie magazine started in 1987.	Circulation… …azine started in 1987.
Elle: U.S. edition of fashion magazine introduced in 1985. Joint venture with Hachette S.A.	Circulation… …shion magazine introduced in … th Hachette S.A.
Automobile: Car magazine started in 1985.	Circulation… …azine started in 1985.
Star: Supermarket tabloid started in 1974.	Circulation… …loid started in 1974.

Status
Cost-cutting and an i… after-tax earnings risi… year, from about $6 m…
Profitable from the fi… like "Wall Street" and…
Stations are highly pr… fourth television netw… last year.
Now highly profitable … acquisition.
Village Voice sold in 1… sold in 1977 for $3 mil… profitable.
Sold in 1987 for $37 m… nearly $150 million.
Former money-loser i… English-language new…

Status
Negotiations in final s…
Eliminated 3,000 jobs… savings to News Corp…
Circulation: 310,000.
Circulation: 827,000. …
Circulation: 290,000.
Circulation: 3.6 million

lishing. Mr. Evans has transformed the biggest of the publications News Corporation bought from Ziff-Davis in 1985 — the Official Meeting Facility Guide — into an electronic data base and supplemented it with maps, room plans and other material.

The system will provide travelers with a wide array of travel information. Mr. Evans was meeting with Mr. Murdoch and other senior members of the News Corporation staff last week to propose a joint venture with major airlines to put the electronic system into operation next year.

and market it to new customers," said Robert Picard, a professor of communications at Emerson College in Boston who has tracked Mr. Murdoch's performance.

Some critics suggested last week that Mr. Murdoch might use TV Guide to sway readers to his Fox Television Network. "That would be self-destructive," Mr. Murdoch said.

He added: "In Australia and Britain, everyone expects you to use your newspapers to promote your political opinions. But you don't use your editorial force to promote your commer-