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**JOHN H. JOHNSON: JOHNSON
PUBLISHING COMPANY, INC.**

The Pioneer



JOHN H. JOHNSON

Age: 80.

Birthplace: Arkansas City, Arkansas.

Marital Status: Married 58 years to wife, Eunice, the company's secretary-treasurer.

Children: One daughter, Linda Johnson Rice, 40, serves as president and chief operating officer. (One son, John H. Johnson, Jr., died in 1981 of sickle-cell anemia.)

Education: Attended the University of Chicago and Northwestern University.

Entity: Johnson Publishing Company, Inc.

Established: 1942.

Corporate Headquarters: Chicago, Illinois.

Products: *Ebony*, *Jet*, and *Ebony South Africa* magazines; Fashion Fair Cosmetics; Supreme Beauty Products; Ebony Fashion Fair (world's largest traveling fashion show); Johnson Book Publishing Division; American Black Achievement Awards.

Annual Sales: \$361 million.

Number of Employees: 2677.

First Job: Newspaper delivery boy.

First Career Move: Editing an in-house newsletter for Supreme Life Insurance Company.

First Business: Publisher of now defunct *Negro Digest*.

Heroes: His mother, Gertrude Johnson Williams.

Johnson's Basics: *The most important thing a manager can learn is the ability to analyze a situation and quickly think his way out of it.*

On Managing: *I believe in hands-on, hands-in, hands-wrapped-around management, in which you delegate freely and check up on people every day.*

On Capitalization: *I've never let the inability to get capital keep me from growing and surviving. . . . If you believe in something, to have the commitment is really more important than having the money.*

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I run scared every business day and use every legal means necessary to survive and grow.

Icon.

Scribes have always inappropriately used the label to characterize America's latest business hero. Too often, they tag it onto a young Icarus who later comes crashing down to Earth after some ephemeral success, or to a so-called Master of the Universe with the ability to descend from a corporate perch by way of a golden parachute.

Try growing up a poor, black child of the Deep South, raised by a determined, God-fearing mother after your father dies before your seventh birthday. Move to a Midwestern metropolis and spend your teenage years, lean and hungry during the height of the Depression and forced to subsist on welfare. With all the strikes against you and virtually penniless, conjure up a dream of launching a monthly publication. Then, despite the obstacles—and, in most cases, because of them—transform that vision into an empire that produces magazines, radio and television programs, insurance, cosmetics, hair-care products, and fashion shows. Wealth, power, and success enable you to conduct business around the globe, sit on the boards of the nation's largest corporations, and con-

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sult with nine U.S. presidents. That's a life worthy of living legend status.

John Harold Johnson achieved it all.

Without the intervention of banks, the Small Business Administration, set-asides, or rich uncles, he built Chicago-based Johnson Publishing Company, Inc., into the largest self-made black business in the world. Even the rich and powerful dub him "The Godfather" for steadily growing his vast enterprise for 57 years, through recessions, industrial revolutions, and personal tribulations.

Johnson earned the immodest sobriquet not because the old-fashioned rugged individualist channeled anger and rejection into a net worth of more than \$200 million. He forged an institution that has touched the lives of three generations of African Americans. For 54 years, *Ebony* magazine, the company's flagship, has graced the coffee tables of black households, serving as a national messenger of African American achievement with its glossy coverage of celebrated personalities and historic events. Since 1951, *Jet*, the weekly digest, has provided readers with a concise compilation of news and gossip, complete with celebrity and society photos and a hubba-hubba centerfold of a bikini-clad beauty. To this day, faithful readers say, "If it wasn't covered in *Jet*, it didn't happen in black America." Ebony Fashion Fair, which debuted in 1958, offered African Americans their first opportunity to witness black elegance and style on a runway. Until the introduction of Fashion Fair cosmetics in 1974, black women were not able to find makeup to satisfy their kaleidoscope of hues and skin textures.

Some would assert that the evolution of these ventures was a function of zeitgeist. This may be true, but Johnson had the moxie to conceive them and a genius for timing. He knew black people wanted to read about their achievements, see photographs of their children's weddings and cotillions, buy beauty and grooming aids designed specifically for their features, and get a glimpse of glamour. He went through the pain, humiliation, and exhilaration of blazing trails, transforming lives, and uplifting a people.

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Along the way, he figured out a way to make loads of money doing it.

He still does.

In 1997, Johnson Publishing grossed \$361 million, a staggering growth rate of 1400 percent since the company first appeared on the *Black Enterprise* list of the nation's 100 largest black-owned businesses in 1973. Johnson maintains that he reached this pinnacle by being "poor, ambitious, and scared"—and consistent. In fact, the only difference between his mode of operation today and five decades ago is that he is no longer broke.

I tend to be cautiously optimistic and I never get overconfident. I run scared every business day and use every legal means necessary to survive and grow.

You can bet that as long as he is breathing, JPC will always be John Johnson's company. Even when he is not there, his presence is palpable, felt from the lobby to the top floor of his corporate headquarters, an 11-story structure of bleached concrete and glass that remains the only black-owned and -constructed building in downtown Chicago.

At 80, looking more like 60, he's still fiercely competitive, clocking 14-hour days—although he no longer spends his weekends in the office. Entrepreneurial electricity courses through his compact frame. He operates from a top-floor suite that includes a workout room, a barber's chair, a kitchen, sleeping quarters, and what's known as the "give 'em hell" room, a woodshed of sorts for errant employees. Johnson is not one of those CEOs content to stay tucked away atop his tower. In fact, he manages by roaming, dropping in on employees at a moment's notice. It's all part of what he calls "hands-on, hands-in, hands-wrapped-around management, in which you delegate freely and check up on people every day." Over the years, he has periodically sat in his lobby to ensure the punctuality of employees. He runs editorial meetings, approving and rejecting story ideas. And, to this day, his signature can be found on every company check.

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His style has earned him the well-deserved reputation of being one of the toughest bosses in American business. His expectations have always been crystal clear and bluntly stated: “[If] people did not do the work, they were dismissed, period.” Naysayers don’t last, either. Just ask the first person he ever fired, who was let go for telling Johnson that *Ebony* would not succeed. When the boss handed over the pink slip, he maintained, “I’m too insecure about [*Ebony* succeeding] myself to have somebody around telling me that I can’t do it.”

On the other hand, he’s retained a cadre of trusted employees for decades—developing a list of what it takes to keep valued personnel happy. With such enticements as furnishing vice presidents with leased Cadillacs and charging employees a mere \$1 for a lunch that, on occasion, includes steak and lobster, it’s a list that would make even Oprah, the grande dame of job perks, proud.

Preferring to fly solo, Johnson never puts himself in a position where other people tell him what to do. In the early 1960s, Johnson turned down an ambassadorship offered by President John F. Kennedy “because you have no power. You’re never in control of your destiny.” Nor does he want outsiders telling him how to run his business. For that reason, the company has no board. He does, however, consult with his wife of 58 years, Eunice, who is secretary-treasurer, and his 40-year-old daughter, Linda Johnson Rice, president and chief operating officer.

Johnson has long rejected the textbook tenets of business, unless they happen to coincide with his own approach. His may not be the way of the moment, but he couldn’t care less. Johnson does things the Johnson way—conventional wisdom be damned—and it has worked.

I have served on a lot of boards and heard a lot about five-year plans throughout the years. Five-year plans may sound good on Wall Street but I haven’t seen many that have worked. I don’t think anyone is smart enough to see five years into the future. I have always

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developed a yearly plan and monitored it on a month-to-month basis.

Proud. Direct. Smart. If you see Johnson in a photo or at a public ceremony, he wears the same stoic, determined expression that he did as a kid. His comments tend to be blunt, and, when agitated, traces of his Arkansas roots resonate in the timbre of his voice. Relaxed, he peppers his conversations with humorous anecdotes and is quick to burst into laughter at the telling of his own favorite stories.

Symbols are important to him, as they are to many of his generation. Stored in the corporate garage is a dusty, 15-year-old Rolls-Royce that he has driven only three times. He didn't care about driving the Rolls, he explains. He just wanted to own it.

Lesson #1: Never Forget Mama

In recalling his road from bucolic Arkansas City, Arkansas, to the tony heights of Lake Shore Drive in Chicago, Johnson begins not with his own accomplishments, but with those of his late mother. Widowed as a young adult, Gertrude Johnson resolved not to let poverty or Jim Crow diminish the aspirations she held for her only child. A domestic with no more than a third-grade education herself, Gertrude was determined that John would hit the books and reap the rewards that eluded her. He was going to be somebody.

Back then, it was an audacious notion. Tiny Arkansas City didn't have a high school and there wasn't enough money to send him away to continue his education. So, she made her son repeat the eighth grade while she saved enough money to move them to Chicago.

Although the bustling urban hub gave the 15-year-old Johnson access to better schools, it didn't offer much in the way of economic opportunity. The Great Depression gripped the nation, and his family, like millions of others, was caught in the vise. Gertrude, who remarried, couldn't

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find domestic work, and his stepfather searched fruitlessly for odd jobs. With no other options, the family went on welfare.

Johnson was shamed by the public handouts. The humiliation of those three years still burns in his memory. So do bright memories of Gertrude Johnson's zeal.

My mother had the greatest influence on my life. She gave me hope that one day, somehow, I would triumph. She gave me patience, which is absolutely necessary in business.

Johnson put his scholarly energies into DuSable High School. A voracious reader, he adopted new heroes from books on such historic figures as Booker T. Washington and Frederick Douglass. His passion for journalism led to the editorship of the school newspaper. Outside of the classroom, he spent hours improving himself by reading Dale Carnegie's *How to Win Friends and Influence People* and rehearsing speeches in front of the mirror.

The push for personal and academic excellence earned him a partial scholarship to the University of Chicago. The award, however, paid only \$200 of his tuition, not nearly enough to cover his expenses for the year.

He found the answer to his financial woes at an Urban League luncheon recognizing local students for their academic achievements. As one of the honorees, he listened to the keynote speaker, who talked about the importance of education, tenacity, and setting goals. The lecturer was Harry Pace, president of Supreme Liberty Life Insurance Company, the largest black-owned business in Chicago.

After the speech, Johnson rushed up to the podium and introduced himself. As the two talked, Johnson told Pace of his plight. Impressed, Pace offered him a part-time job flexible enough for him to attend college. He leaped at the chance and the much-needed paycheck. In the fall of 1936, the 18-year-old high school graduate began his professional life as a \$25-a-week office worker.

It was a turning point because I had an opportunity there to observe black people running a business. Up

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to that point, I had seen lawyers, ministers, doctors, but I had never seen a successful black businessman. And here I was working for a company which was the largest black business in the North at the time, and I saw men making big decisions. I saw them moving around with dignity and with security, and it inspired me. It made me realize that my career could be in business, and that success was possible.

Lesson #2: Start Small, Aim High

In 1939, Johnson quit college to accept a full-time job as editor of Supreme Life's employee magazine. The job required him to scan newspapers and magazines and write a summary of events in black America each week. He showed the publication to friends, who became interested in receiving the same information.

The budding entrepreneur quickly became smitten with the idea of starting such a publication—his version of *Reader's Digest*.

Johnson was to become such a business colossus that it's hard to believe he didn't start out with the goal of ruling the world. He foresaw the advantages of climbing a hill instead of scaling a mountain. He still does.

I always advise young people to dream small dreams, because small dreams can be achieved, and once you achieve a small dream and a small success, it gives you confidence to go on to the next big step. They must understand that a grocery store can indeed develop into a chain of supermarkets. Entrepreneurship is personal. It is what you can do almost by yourself. When I started out, I did not see the company the way it is today. And I think if I did, I probably would have been so overwhelmed, with my meager resources, that I wouldn't have started it.

He needed cash for his unformed enterprise. First, he went to Chicago's First National Bank. Within minutes of entering the lobby, he was shown out by loan officers who

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contemptuously referred to him as “boy” and informed him that the institution would never lend money to blacks.

He was bitter, but he took a page from Dale Carnegie: *Don't get mad, get smart.*

Johnson set his sights on the black community, trying to persuade influential African Americans to buy as much as a half interest in the publication for \$1000. He was turned down cold and advised that he would be better off as a teacher or insurance salesman. Down to his last few bucks, he hopped on a train to New York to meet with Roy Wilkins of the National Association for the Advancement of Colored People. Wilkins was the editor of the NAACP magazine, *The Crisis*, the only viable black monthly magazine at the time. Wilkins looked him square in the face and said, “Save your money, young man. Save your energy. Save yourself a lot of disappointment.”

Bucking that advice, Johnson turned to the most influential person in his life, his mother. He persuaded her to put up her furniture as collateral for a \$500 loan. She agreed, praying that his venture would pan out.

Next, he talked to his benefactor, Harry Pace. The black executive not only encouraged him, but also let Johnson use Supreme Life's mailing list of 20,000 policyholders to solicit \$2 subscriptions.

I remember the letter very well. It said, “A good friend of yours told me that you would be interested in a new magazine that I'm bringing out at such and such a time. This friend told me that you were a person who would like to keep up with current events, who liked to be well-informed, and that because of this, you would be interested in this magazine.” About 3000 people answered the letter and many of them, after having written their check, would ask, “Oh, by the way, what friend told you about me?” Actually, no friend told me.

The scheme enabled him to raise \$6000 in start-up capital without putting up a single cent of his own money. Johnson operated the Negro Digest Publishing Company in

the corner of the law library of Earl Dickerson, an attorney who rented space in the Supreme Life building. There, he drafted and sent out letters for the right to publish certain stories from black newspapers and white periodicals. Eunice, his social-worker wife of one year, stuffed envelopes and helped with editorial and circulation functions.

On November 1, 1942, Johnson launched *Negro Digest*. His initial print run was 5000 copies. Although he had 3000 subscribers, he wanted to sell the remaining 2000 copies on newsstands. Hoping to increase the publication's exposure, Johnson went to the biggest distributor in Chicago. He was told that they "didn't carry colored books because colored books didn't sell."

Johnson responded by formulating his own first theory of management:

The most important thing a manager can learn is the ability to analyze a situation and quickly think his way out of it.

He quickly reasoned that if he could stoke demand for *Negro Digest*, then the distributor would be forced to carry it. He rounded up 30 or so friends from the insurance company and sent them to newsstands throughout Chicago's South Side to ask for copies of the publication. When numbers of customers requested *Negro Digest*, the dealers called the distributor seeking this hot new commodity.

Now, he needed to make the magazine a bona fide success. If not, *Negro Digest* would surely lose its distribution. Once again, he assembled his friends. "I want you to go out and buy *Negro Digest*," he told them. "Don't worry about the money. I'll give you the cash to pay for it."

The strategy worked in Chicago, but Johnson needed to develop a national strategy to get the publication sold in other cities.

If you can't gain help from others, you have to figure out what you can do by yourself to get what you want. It was not my original intention to start a distribution company. I had to do it in order to grow.

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Here's how it worked: Johnson would find an agent to distribute the magazine, but usually that person didn't have money or credit. Johnson would set up a local account under his company's name and instruct the bank that money could be deposited but not withdrawn. At the end of each month, the agent would keep a share of the money and deposit the rest. The bank would then notify Johnson whether the money was deposited. If his agent came up short, he would not ship any more magazines. In the South, where it was impossible to get a black magazine on newsstands because of Jim Crow laws, he developed a network of salesmen who sold the publication on buses, streetcars, and even in cotton fields. Within eight months, circulation of *Negro Digest* grew to 50,000 copies.

All successful start-up entrepreneurs have to have the stomach for two things: begging for money and asking for favors, regardless of how high they have to climb up the food chain. The brash Johnson decided to make his presence known at the White House.

In 1943, he wrote to the First Lady, Eleanor Roosevelt, asking her to write an article. She replied that she didn't have time. Johnson was undeterred. Discovering that she was planning a visit to Chicago, he asked her to dictate a column to him while she was there. She agreed. When the issue hit the newsstands with Eleanor Roosevelt's take on race relations, *Negro Digest's* circulation doubled overnight.

Lesson #3: If You Can't Go through the Front Door, Use a Side Entrance

The sales of *Negro Digest* rose as America entered a new era. The end of World War II brought veterans, black and white, home to find jobs and start families. Their return signaled the promise of affluence. In 1945, Johnson, all of 27, was being drawn into exploring new frontiers.

At the urging of two of his top freelance writers, he studied a proposal for a magazine called *Jive*. It would be an entertainment publication targeted at the emerging hip set.

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At first, Johnson was not totally sold on the concept but agreed to invest in the venture as a way of retaining valuable talent. He told them that if each of them ponied up \$1000, he would launch the magazine as a partnership and split profits three ways. When the two were unable to come up with the dough, Johnson decided to go it alone, putting his own spin on their concept.

Through informal research, the young publisher found that large numbers of blacks were buying *Life*, the popular pictorial magazine, from newsstands on Chicago's South Side. These readers would be far more interested in a similar publication that revealed the positive aspects of black life. If *Life* showed the so-called American Century, then his publication would unveil the African American equivalent. On Eunice's suggestion, Johnson christened the magazine *Ebony*, after the fine, dark wood from the tropical trees of Africa.

In an interview during *Ebony's* 40th anniversary in 1985, he explained why he decided to move forward with the publication:

First, I think the timing was right. Secondly, I think the market was ready. Thirdly, I think I was able to learn from mistakes. I recognized that if you are going to travel a long distance, you can't burden yourself with a heavy load. I went in for the long haul, and I went in with a determination that nothing and nobody would get in the way. I think that if you believe in something, to have the commitment is really more important than having the money.

Ebony hit newsstands on November 1, 1945. Black readers scooped up the *Life*-sized publication, chock-full of articles and striking black-and-white photos chronicling black achievement: Jackie Robinson breaking the color barrier in baseball; Lena Horne dazzling thousands with her beauty and talent; A. G. Gaston building wealth and power as the most successful black businessman in the South. All of these milestones were celebrated on the pages of *Ebony*.

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But Johnson's vision did not include glossing over the tough racial issues of the times. In his first editorial, Johnson wrote:

Ebony will try to mirror the happier side of Negro life—the positive everyday achievements from Harlem to Hollywood. But when we talk about race as the No. 1 problem in America, we'll talk turkey.

Johnson set high standards for himself, announcing that he would not accept one page of advertising until he guaranteed a circulation of 100,000. With virtually no competition, the magazine surpassed its circulation goal in one year. The Audit Bureau of Circulation revealed that *Ebony's* paid sales of more than 300,000 by the end of 1946 made it the most widely circulated black publication in the world.

But, in pushing *Ebony*, Johnson broke one of his cardinal rules: He grew too fast.

While *Negro Digest* was profitable, *Ebony* was draining the company's coffers. As a result, from 1945 to 1947, Johnson was forced to do everything he could to keep his fledgling company from sinking. He postponed the payment of bills, stalled creditors, and pounded the pavement in search of advertisers.

Ironically, *Ebony* became *too* successful. Its meager advertising base could not support the expense of printing and shipping 400,000 copies a month. It was a catch-22, though: If Johnson cut back on circulation, then he wouldn't be able to entice future advertisers. To make matters worse, local banks would still not loan him the funds for working capital because they wouldn't take a chance on a black businessman, despite his solid three-year track record.

For the first time in his life, Johnson was ready to throw in the towel.

I had serious doubts about whether I should go on. I would call my mother and tell her that I seemed to be failing. She would ask me, "Are you still trying?" I

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would tell her that I was. She would respond, "As long as you are trying then you are not a failure." Her words really pushed me. I was going to make sure that the business survived for her.

As he tried to cure his cash-flow crunch, he reminded himself that a businessman must always keep his options open. What if he could develop other businesses to generate additional revenues and support the magazine? With his network of distributors and a magazine that could promote products to thousands of black consumers, it could work. In fact, the crisis spawned Johnson's lifelong business strategy of using publications to promote his other business ventures.

I've never let the inability to get capital keep me from growing and surviving. I thought of all kinds of unique ways to survive. I sold lifetime subscriptions for \$100 each. Since white advertisers would not advertise with Ebony, I started a group of mail-order magazines and advertised in my own magazine. The company was called Beauty Star. I sold vitamins, wigs, dresses, and hair-care products. I sold anything that I could sell in order to get enough capital to keep Ebony going.

But he couldn't sell enough subscriptions or novelty items to finance the publication long-term. However, the tactic bought him what he desperately needed—time. *Ebony's* survival depended on bagging major advertisers. Johnson resolved to snare them, telling himself, "If I can't sell *Ebony* better than anyone else, I don't deserve to be president."

First, he needed to get the attention of major ad agencies. To reach top execs, he would woo the gatekeepers.

I cultivated secretaries. I would find out their birthday and send flowers to them. They appreciated my persistence and patience. This approach helped me when I tried to get a meeting with Fairfax Cone, the

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head of Foot, Cone & Belding advertising agency. His secretary said that she couldn't make an appointment for anyone but she grew to like me and gave me a valuable tip. She said, "Mr. Cone doesn't like to fly and goes to New York every Sunday afternoon on the Twentieth Century Limited. If I were you, I'd be on that train." I took her advice and for three consecutive Sundays, I traveled on the Twentieth Century Limited and managed to get an audience with him on those occasions. Shortly thereafter, he arranged for me to talk to executives at his agency.

In his presentations and editorials in *Ebony*, Johnson became the first publisher to discuss the power of the black consumer market. Unfortunately, it fell on deaf ears.

It was like trying to get them to put money in a foreign market.

He persisted, using his publication as a bully pulpit. In 1947, he wrote in *Ebony* that the "big advertisers of consumer items failed to recognize the immensity of the Negro market," more than \$10 billion at the time. The response? Zero.

Finally, after yet another degrading sales call, he phoned advertising powerhouse Leo Burnett.

"Mr. Burnett, when I come to your company and talk to your representatives, they never listen to the pitches. They either shuffle papers or look out the window. All I want is five to ten minutes of their time."

"If they don't listen, I can't make them listen."

"I disagree," Johnson insisted. "They listen to you."

Burnett was persuaded to sit in the back of the room while Johnson pitched his top execs. They listened, but still didn't bite. Johnson changed strategies again.

If he could penetrate the White House, he reassured himself, surely he could arrange a face-to-face meeting with CEOs of major companies. After all, it was plain

corporate courtesy for one president to break bread with another.

Once an appointment was booked, he used guerrilla-style selling techniques, which called for him to learn as much detail as possible about the CEO he planned to pitch. He would uncover the concerns, desires, and idiosyncrasies of his intended target, and use them as tools to build a relationship. For instance, when he tried to sell advertising to Zenith, the leading manufacturer of radios, he learned that the head of the company, Commander Eugene McDonald, had explored the North Pole. Noting McDonald's obsession with polar expedition, Johnson tracked down Matthew Henson, the African American who beat Commodore Robert Peary to the Pole. He obtained Henson's inscription on a copy of his autobiography.

After receiving the book from Johnson as a gift, McDonald asserted, "Young man, if you were putting out any kind of magazine, you would have something on Matt Henson." As if on cue, Johnson pulled out an issue of *Ebony* that contained a four-page article on the explorer. In response, not only did McDonald place Zenith ads in *Ebony*, he proceeded to call the chairmen of such companies as the Armour Food Company, Swift Packing Company, and Elgin Watch Company—while Johnson sat in the room—and advised them to do the same.

Twenty-three years after that meeting with McDonald, Johnson was elected to Zenith's board of directors.

After two years of being on life support, *Ebony* and JPC were out of intensive care. In 1948, the magazine became profitable as it gained such major advertisers as PepsiCo, Colgate, Beechnut, and Seagram. While JPC strengthened its revenue base, Johnson increased his knowledge of the magazine publishing business. He even persuaded executives of Time Inc., the largest magazine publisher in the country, to teach him and his staff more about the advertising and circulation process.

Time Inc. sharing proprietary secrets? Sure, because they didn't consider *Ebony* or this black upstart to be competition. If they had only known. . . .

Lesson #4: Walk Around Anyone or Anything That Gets in Your Way

By the 1950s, before the age of 35, Johnson was a millionaire. As JPC rose to unprecedented heights, the naysayers ate their words. A moment Johnson relishes to this day came when Roy Wilkins, the NAACP official who originally pooh-poohed the concept of *Negro Digest*, called him and said, "You know, I think I gave you some bad advice."

Johnson had by now evolved into a more astute and confident businessman and publisher. Cast in *Ebony's* glossy shadow, *Negro Digest* began to lose its luster—and money. Johnson realized that he needed to produce trendier magazines that were more in step with the times. He hated pulling the plug on the publication that started it all, but he refused to prop up any operation that would weaken JPC's bottom line.

Instead, Johnson acquired *Tan Confessions* and *Copper Romance* to satisfy the burgeoning romance magazine market. In 1950, he started *Hue*, a pocket-sized feature magazine, and, in 1951, the ever-popular *Jet*, which sold as many as 30,000 copies a week. At the same time, *Ebony's* circulation soared to more than 500,000 copies.

Johnson no longer presided over a mom-and-pop business. He developed a stronger presence on Madison Avenue, setting up a New York-based advertising office. As usual, Johnson used every arrow in his quiver. To convince William P. Grayson, the ad director of the *Baltimore Afro-American*, to head up the New York sales office, Johnson hired him for more money than he paid himself and provided him with a more spacious office than his own Chicago suite. In later years, he would joke:

We gave him a big office. We paid him a big salary. We gave him a beautiful secretary. And then we threatened to take it all away from him. You'd be surprised how much we got out of him.

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By 1955, the 13-year-old enterprise owned a stable of magazines with a combined circulation of 2.6 million and employed more than 100 professionals.

But the growth did not come without major challenges. Johnson and his employees constantly combatted racial discrimination. He adroitly maneuvered around such barriers. When Johnson traveled across the country selling ad space or identifying new distributors, he took along his circulation manager, a light-skinned man who could pass for white. The manager would register at hotels and then meet Johnson, who took the freight elevator, at the room. When Johnson bought his first building, an old mortuary south of Chicago's Loop, he hired a white lawyer to handle the transaction because the owner wouldn't sell it to a black man. It was bought in trust so no one could identify the buyer. Before the completion of the sale—the \$50,000 down payment was derived from the sale of Beauty Star—Johnson disguised himself as a janitor to survey the property.

Johnson has no regrets about any of his tactics, maintaining that:

[JPC couldn't have made such strides] by marching, and we couldn't do it by threatening. We had to persuade people that it was in their best interests to reach out to black consumers in a positive way.

Steadfastness would eventually win out over racism. In 1957, the entrepreneur started to branch out from his core business. Earl Dickerson, the attorney who gave him space and became CEO of Supreme Life after the death of Harry Pace, persuaded Johnson to buy shares in his former employer. He acquired 1000 shares in the company for \$30,000 and joined its board of directors. Over the next 16 years, he pumped another \$2.5 million into the operation and, by 1974, became chairman and CEO. Like in an old B movie, the office clerk made good and came back to take control of the company that launched his career.

But when he assumed the helm, he did things his way,

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prompting some Supreme Life insiders to label him as arrogant and ruthless. Before Johnson took over, the insurer never fired employees, regularly transferring people from one department to another. He put the brakes on the practice, ousting anyone who couldn't cut it.

His next move to diversify the JPC empire was the 1958 launch of *Ebony Fashion Fair*. The traveling fashion show not only promoted the magazine and boosted circulation, but its events also raised millions of dollars for black charities. To this day, *Ebony Fashion Fair* remains an entertainment mainstay in many African American communities.

JPC grew in lockstep with the social movements of the 1960s. In words and pictures, *Ebony* and *Jet* chronicled the struggle of black Americans for advancement. From urban hubs to cotton fields, the magazines informed blacks about what was happening on the front lines of the Civil Rights Movement. With a new generation emerging, the publication took on a somewhat harder edge. Still criticized for its emphasis on celebrity profiles, society news, and positive articles—the old Johnson philosophy of getting consumers “to take castor oil by putting it in orange juice”—*Ebony* started devoting cover stories and whole issues to such provocative but relevant topics as “Black Power,” “The White Problem in America,” and “Black-on-Black Crime.” The company launched a book division, filling the void in black history literature with Lerone Bennett's classic *Before the Mayflower*. Johnson also revived *Negro Digest* as *Black World*, his most militant publication, featuring radical pieces by black poets and fiction writers.

The aggressive editorial thrust was good business. By the mid-1960s, *Ebony* sold nearly a million copies a month and significantly broke the advertising barrier by grossing more than \$5 million in advertising revenues—a vast difference from 20 years earlier when it earned less than \$30,000 in advertising dollars. *Jet*, *Tan*, and *Black World* also boomed, with combined sales of 2.3 million copies a month.

But despite these strides, Johnson continued to be at

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odds with the black press. Since the inception of *Ebony*, black newspaper publishers viewed him as a pirate, raiding readers, advertisers, and employees. Although the dissension bothered him, Johnson stayed true to form, making no apologies or excuses for doing things his way.

With the exception of John Sengstacke of the Chicago Defender, I received a great deal of opposition from black newspapers. But we soon found that it didn't serve each other's purpose. On the recommendation of Sengstacke, I was voted in as a member of the Negro Newspaper Publishers Association at their Atlanta convention. Later, I was voted out of the organization saying the previous election violated the constitution. Finally, they accepted my application to the organization. These events did not ease the conflicts. In 1966, the NNPA honored me with the John Russwurm Award. Just before I received the award, the presenter told me, "Johnson, you deserve this award but I don't want you to misunderstand; we didn't like you before and we don't like you now."

Being a pioneer has meant that Johnson has had to travel a solitary road. He accepted that reality early on. He came to thrive on it, even to prefer it. His hardscrabble youth as an only child gave him a great deal of time for inner reflection. Facing rejection and slights—much like Jackie Robinson, Jesse Owens, Sammy Davis, Jr., and other trailblazers—made him insular and understandably protective of his domain. Over the decades, he would buy, start, discontinue, and revive publications, but *Ebony* and *Jet* remained constant. They made everything else possible.

Johnson developed a diversified conglomerate as a means of sheltering JPC from economic downturns. For example, he launched Supreme Beauty Products to manufacture and distribute Duke and Raveen hair-care brands since orders came in for the old Beauty Star products even after he stopped running ads. Building on his franchise, he established radio stations WJPC in Chicago

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and WLOU in Louisville, Kentucky, and developed a series of television programs as well.

Other ventures Johnson launched purely out of frustration. In the 1960s, when Ebony Fashion Fair models had difficulty matching lipstick and makeup to their skin tones, Johnson went to Charles Revson, the legendary head of Revlon Cosmetics, and suggested that he consider expanding the line to accommodate women with darker complexions. Revson scoffed at the idea.

Perturbed, but characteristically unbowed, Johnson and his wife went to a private lab to develop an in-house line of cosmetics, which they eventually sold through JPC's mail-order operation. The response led to the 1973 creation of Fashion Fair Cosmetics. To sell the products, Johnson used the same tactic he developed 30 years earlier to get Chicago's largest distributor to carry *Negro Digest*.

When a buyer for Marshall Field's department store told Johnson that it never carried a cosmetics line for African Americans, *he didn't get mad, he got smart*. He soft-sold the buyer, telling him that Marshall Field's never found a black cosmetics line of the caliber of Fashion Fair. He hooked another fish.

Johnson's research revealed that successful beauty-care lines sold an average of \$1200 a week. In order to convince the store that Fashion Fair was an instant hit, Johnson gave his employees money to buy \$200 worth of the company's products a day. Based on those sales, Marshall Field's increased its order, and Johnson leveraged that success to get the line in major stores nationwide. Since Revlon and Estée Lauder did not have any black executives or salespeople, he trained newcomers to the business.

Fashion Fair became JPC's fastest-growing division when, ironically, it received patronage from not only black women but white women as well. England and France represent two of the company's top markets. Fashion Fair, which today accounts for roughly 50 percent of JPC's sales, competes directly with Revlon. Johnson once again has had the last laugh.

Lesson #5: You Can Grow It Alone

For 25 years, Johnson had been unable to convince potential investors and partners, black or white, to put money in any of his ventures. As a result, he stopped wanting any help. This go-it-alone philosophy seems anachronistic by today's models of success. Although he contends that "there are many ways to get to heaven"—meaning blacks should use any means available to them to advance in business—he takes exception to the swelling throng of black entrepreneurs who see strategic alliances with major companies as the only significant means for black companies to grow. Johnson holds that there is still room for black bootstrappers, even in a period marked by rampant mergers and acquisitions. It is imperative, he insists, that African American entrepreneurs preserve and control their businesses as a means of ensuring wealth and employment for black people.

That said, Johnson has not let his belief in control hamper his ability to recognize a valuable business opportunity. During the past 15 years, he has been a major investor in a Chicago cable franchise, and he bought a 20 percent stake in *Essence*, the black women's magazine, for roughly \$1 million when it became available to him. ("Although I'm not seeking to acquire more, I would not refuse an offer to [let me] buy more," he says.) And, in 1994, Johnson broke his no-partners rule when he invested roughly \$2.5 million to form EBCO International, teaming with five South African partners to develop *Ebony South Africa*. He did so to gain entrée into an untapped market and avoid stiff tariffs. When he started the venture, Johnson maintained a 51 percent share while his partners held 49 percent. By 1998, Johnson had increased his stake to 85 percent. He has no interest, however, in going public or merging with a mainstream monolith as it relates to the core of his empire, waving off calls from the investment community he attempted to court as a young man. In fact, he views the absence of partners in his core business as one of his greatest strengths.

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For 10 years, I tried to get someone to joint venture with me to build a skyscraper in Chicago. I got a lot of inquiries, but as soon as they found out I was black, they remembered previous commitments. Nobody wanted to go in with me. I finally had to go it alone by saving money over a long period of time to build a small building that only my company could occupy. In hindsight, I believe that if I had partners, I would have never been as successful. It's difficult for a group of people to agree on one objective.

Lesson #6: Stay the Course

The 1970s to 1990s saw perhaps the most significant gains by African Americans in the educational and economic mainstream. Through coverage in his magazines and involvement in government bodies and corporate boards, Johnson played an instrumental role in that progression. At the same time, the razing of racial barriers has created major challenges for the House of Johnson.

Many of the leading beauty-care firms became converts to Johnson's gospel of the powerful black consumer market, but they saw more benefits in becoming competitors than advertisers. Majority newspapers and periodicals began hiring more African Americans and made attempts to raid his staff. Black white-collar and blue-collar workers got insurance through their jobs or mainstream firms that offered more sophisticated financial products.

The rapidly changing environment—albeit generally for the better—dealt the deathblow to traditional black businesses, among them Supreme Life, which Johnson was forced to sell in 1993. His infusion of millions into the company made it the fifth largest black-owned insurer in the nation. But like more than 20 other African American insurance firms, Supreme Life could not survive the industry-wide shakeout of the late 1980s and early 1990s. Johnson saw the handwriting on the wall for years but resisted the sale. He didn't want to put employees on the street. He didn't want to shut down an institution that gave him his start. Mostly, he didn't want to accept failure.

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As for the hair care and cosmetics business, Johnson still employs “the Beauty Star concept.” Reaching more than 50 percent of African American adults through his publications, he continues to promote his product lines in *Ebony* and *Jet*. In fact, JPC products still constitute about 20 percent of the company’s own advertising pages.

As for *Ebony*, it continues to be criticized for its emphasis on celebrity profiles and puff pieces as opposed to more relevant, hard-hitting fare. The fact is, the light stuff sells. In 1997, the flagship—as well as *Jet*—had its best year ever in terms of the number of advertising pages sold. In 1998, 53-year-old *Ebony* got a face-lift that included brighter graphics, more service-oriented articles, and an infusion of content from its defunct sibling, *Ebony Man*. The retooling seems to be in response to the new crop of urban-oriented publications that have captured the hip youth market and other segments of the black community. Johnson remains steadfast in his mission to snag a fourth generation of African American reader.

As animated and forthright as he can be on many subjects, there are some things that John Johnson will not talk about. He will not divulge details about his succession scheme. Nor will he discuss his estate plan. He does say that his daughter, Linda, will take over the business, but gives no indication when that will happen.

For years, Linda Johnson Rice has been personally groomed by her father. As a child, she would come to the company and ask questions about all aspects of his business (a practice that has been adopted by her nine-year-old daughter Alexa, who meets with grandad every week to discuss the company’s history). Linda earned her M.B.A. from Northwestern University while serving as assistant to the company president, a position requiring her to sit in on every important meeting, review her father’s responses to correspondence, and take notes on how he made business decisions.

She has been the company’s president and chief operating officer for more than a decade, but her mark is not yet apparent to the public. There is speculation that post-John Johnson, JPC would be sold. There is certainly

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no shortage of companies—black or white—that would love to buy it. But speculation is merely that.

For now, when one thinks about JPC, it is The Godfather who jumps to mind. That is not by coincidence, but by design. It is a direct response to Johnson's continuing to do business the Johnson way—no apologies or excuses required.

Linda will succeed me. Even now, I don't do anything that she doesn't agree on and she me. I call it a joint venture. But I am not going to retire anytime soon. I have a policy that as long as an employee is able to do the job, he or she can stay with the company. That includes me.