The High Cost of Mogul Mania

By John H. Tucker

 Rupert Murdoch crowed when his company bought Dow Jones Inc. two years ago. Since then, though, News Corp. has taken a $1 billion write-down on the purchase.

 Murdoch’s struggles with his acquisition are hardly unique. A new book by three Columbia Business School professors takes a scathing look at media moguls and the businesses they run, concluding that despite much-hyped acquisitions and constant talk of synergies, their business deals have decimated their companies’ stock values.

 Indeed, since 2000, the four large media conglomerates—Time Warner Inc., Viacom/CBS, News Corp. and the Walt Disney Co.—have collectively written off more than $200 billion in assets from their balance sheets, according to the authors of The Curse of the Mogul: What’s Wrong With the World’s Leading Media Companies?, which is scheduled for publication this month.

 Even before the Internet wreaked havoc with media business models, the industry had dramatically underperformed the stock market, say authors Jonathan A. Krim, Bruce C. Greenwald and Ava Seave. Even so, its leaders kept expanding their empires as shareholders lost out.

 “The idea really is to bring together the community at large to improve the well-being of Upper Manhattan, said Julia A. Langina, who co-directs the center with Borden-Albala.

 “Our goal is to promote health literacy and improve the health of our community by developing partnerships that will facilitate research aimed at benefiting our patients and their families,” said Henry Ginsberg, the Herbert and Florence Irving Professor of Medicine at the College of Physicians and Surgeons, and director of the Irving Institute.

 When Columbia’s Irving Institute received a Clinical and Translational Science Award from NIH—intended to enhance the efficacy and quality of research—Ginsberg and others looked for better ways to reach out to the community.

 “Finding a location such as this presented an opportunity to connect with the community more directly,” explained Langina.

 CCHP offers a resource library and exam rooms so members of the community can take part in research without visiting the hospital, and then check back for the results of that research with assistance from a friendly, bilingual staff. One recent visitor to the center—who had sustained a spinal cord injury—contacted the center’s computer to find a recently approved study on embryonic stem cells that he hopes to participate in.

 Community groups, such as Community League of the Heights, are invited to the center to give feedback on proposed research methods, and the space serves as a meeting place for local organizations like the stroke support group that meets at the center’s long conferene table on Fridays.

 One recent evening, group member Pablo Rivera, who lives nearby on 172nd Street, sampled a plate of bran muffins, mango slices and grapes from Trader Joe’s provided by the center’s staff.

 Rivera, a 50-year resident of the neighborhood who was born in Puerto Rico, said group members swap healthy recipes and tips on eating well.

 “The center is a very good place for me to learn about new things,” he said.

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