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Business Lessons from Hollywood: You Are a Media Company

Adam Leipzig · Wednesday, January 8th, 2014

“Don’t Become as Obsolete as the Sears Catalogue”

Of the business lessons you may apply in 2014, here’s the most important: You are media company.

What kind of company did you think you were? Practically everything we do today is media: social, personal, or commercial entertainment. We all walk around with mobile devices in our pockets, devices that are really mini-movie studios, capable of creating, editing and distributing content worldwide.

Of course you are a media company. This is true whether you employ 100,000 people or you work for yourself.

In case this surprises you, here is a history question.

Why didn’t railroad companies become the airline industry? After all, the railroads had the financial capacity, and knew about aircraft technology. They should have, could have, become airline companies, instead of being superseded by them.

What stopped the railroads from transforming? A failure of imagination, their own limited definition of what they did. In short, they believed they were in the railroad business. They should have said they were in the transportation business. This is one of the most common business lessons taught in business schools.

A similar challenge faces every business today, and every creative entrepreneur. If you define yourself within the limited framework of your discipline or industry, it is likely that you will become as obsolete as the Sears catalogue. But before you ask yourself “Why didn’t Sears become Amazon.com?” you should simply redefine your activities and embrace your media-company reality.

How do you become a media company?

Do what media companies do: Empower others to share their stories and information through you. Give your customers/audience/consumers the tools with which they share, articulate and improve their lives.

In other words, if you make trench coats, think like a TV channel, not like a clothing company. If you are a journalist, think like a publisher, not like a writer.

Existing media companies are, of course, well positioned to take advantage of the concept. But, ironically, they don't always think like media companies, in the way I am defining them. Movie studios and television networks won't endure for another decade if they don't listen to their fans and embrace their creative partnership. Traditional publishing companies, with their slow turnaround-to-print process and myopic view of how audiences seek their content, are already witnessing a defection of high-profile authors.

In this decade, a media company needs to provide mechanisms by which all customers are audience members and also co-creators.

What should you do?

1. Get over your blocks, your feelings that you don't have the time or ability or skills to do media, social media or video. It isn't that hard.
2. Create content that people love and want to share
3. Focus on storytelling, because the best story always wins. If your company doesn't have a narrative, it cannot be a viable company.

Likewise, when creative people tell their own stories, they give their work extra value. For example, have you ever walked into an art gallery and had the artist explain her work to you? The artist's story always makes the work more interesting and valuable.

In her new book *Blockbusters*, Harvard Business School professor Anita Elberse recounts her interview with Angela Ahrendts, the CEO of Burberry, the company famous for its trench coats and outerwear.



Images from Burberry's Tumblr page

In the interview, Ahrendts surprisingly describes Burberry as a “digital-media company.”

Burberry has been so active in social media that it now has more followers than any other luxury brand. “And the company has launched several online destinations,” Elberse writes. “At artofthetrench.com, for instance, consumers can submit photos of themselves in its iconic rainwear. ‘Nothing is for sale; it is just a site to connect people,’ explained Ahrendts. At [Burberry Acoustic](http://BurberryAcoustic), which falls under Burberry.com, people can find songs recorded exclusively by British artists who have been handpicked by Burberry's chief creative officer.”

The strategy has worked. Burberry's sales have tripled during Ahrendts' tenure—which just ended when she got an offer she couldn't refuse from another company. This month, she is moving to Apple, where she will lead strategy to grow sales Apple's online and retail stores worldwide.

Whether you are a giant corporation or a sole proprietor working alone in a garret, your future as a media company is inevitable. If you haven't embraced it already, now is the time. This simple mind-shift will transform what happens this year.

Top image: Still from [Audi's YouTube channel](#). They're a media company, not a car company.

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