

**BUSINESS DAY**

# Mining the Power (and the Profit) of Conversation

By CHRISTINE LARSON SEPT. 15, 2012

BEFORE there were TED Talks, there were Della talks.

Like the founders of the TED conferences after her, Della van Heyst understood the importance of putting smart people in front of an audience to express their ideas.

Back in the digital dark ages of the late 1970s, she introduced a conference that became the influential Stanford Publishing Course, a two-week retreat for people in the publishing industry. Over the years, industry luminaries like Nan Talese, Lewis Lapham and Helen Gurley Brown, as well as rising technology stars like Jeff Bezos, taught at the conference. From that success grew the Van Heyst Group, which Della ran with her daughter, Carrie, to plan conferences for large companies.

But a few years ago, Della was preparing to retire. (She is now 73.) It was then that Carrie faced “a dark night of the soul,” she said, as she wondered whether she could keep running the company.

In 2009, Della was continuing to orchestrate live conversations among business leaders, academics and celebrities, for clients that included Microsoft, Cisco Systems and Fortune over the years. But the recession was unkind to the events business, which is notoriously cyclical anyway. The Van Heyst Group’s revenue plunged when companies cut back on live events.

Her daughter's concerns went beyond the financial. "The C.E.O.'s we deal with are remarkable people, but I feel like the issues they're discussing belong to everybody," Carrie said. "These very important conversations, which were the heart of our business, happened behind closed doors."

She wondered: Was there a way to open the company's events to more people? And could she add her own stamp to a business that was closely identified with her vibrant and inventive mother?

Today, Carrie van Heyst, 45, is answering yes to those questions by becoming involved in the media industry's move toward live publishing — the simultaneous production of live events and spin-off content for print, video, the Web and mobile devices.

In the last few years, publications including The Washington Post, The Economist, The Wall Street Journal and The New York Times have introduced or accelerated conference offerings that cover business, political, cultural and other topics.

"It seems counterintuitive that in the digital age, physical events are gaining in popularity," said Ken Doctor, a media analyst at Outsell Inc., a research firm, adding that, nevertheless, "events have become a significant third stream of revenue, behind circulation and advertising, for media companies." He predicts that within a few years, live events may account for 20 percent of media company revenue, through a combination of ticket sales, sponsorship and advertising deals.

Some magazines produced conferences in the past, but typically for brand-building, not profit. It wasn't until the ad drought of 2008 and the rise of social media and mobile computing that companies really started to grasp the potential of live publishing.

The viral success of TED Talks, the slickly produced videos from the TED conferences, helped prove the revenue value of live events combined with online content. One of the most-watched TED talks, by a brain researcher discussing her own stroke, has been viewed more than eight million times.

Although the videos themselves are free, they've significantly driven income for the flagship conferences, said Tom Rielly, director of fellows and community at TED.

MR. RIELLY worked with Della van Heyst during her Stanford Publishing days, teaching art directors to use design software. "The course was an elite program that you had to be invited to," he said. "If you went, you were guaranteed an incredibly high level of schmoozing with movers and shakers in the publishing industry.

"Della was always early on topics," Mr. Rielly said. "Not too early, but enough to give people a competitive edge."

After Della left her job as director of strategic planning for the Stanford Alumni Association in 1994 to form the Van Heyst Group, she used her Rolodex to introduce C.E.O.'s and other senior managers to experts in technology and social trends.

At a 1995 Internet boot camp, for instance, she recruited Jerry Yang, a young Stanford graduate student who had just founded Yahoo, to brief Fortune 500 chief executives about the Internet. "I said: 'Jerry, you have to wear a pressed oxford shirt or these people will not take you seriously. If you don't have one, I will buy you one,'" she said.

Mr. Yang remembers the conversation, but not the shirt.

By the end of her first year at her new firm, Della van Heyst had recruited Carrie, then 27, to expand what had been a one-woman company and start hiring. The firm became a rare example of a mother- and daughter-run operation.

Her daughter chose Boulder, Colo., for the headquarters, drawn by its healthy, outdoorsy lifestyle. Her mother stayed in Silicon Valley, where the fast pace and entrepreneurial culture suited her personality. In 2010, Della and her husband, Pete, moved to Boulder to be closer to their daughter and her family; Pete died last year.

"My traditional role has been to monetize Della's fairy dust," Carrie said recently, as she and her mother ate salads in a conference room at the headquarters. Her mother bristled at the characterization. "I like to think I contribute more than that," she said wryly.

But Della van Heyst acknowledges that her creative spark has led to moments like the cocktail party for the chip maker AMD, where teams sustained by beer and Ding-Dongs competed to build socially beneficial creations; a friend at Lego provided tens of thousands of bricks. “One team created an orgasmatron,” she recalled with glee.

“Della and Carrie are night and day,” said Suzanne O’Leary, the company’s senior vice president for client relations. “Della is always saying things like, ‘Of course, we can call all the attendees and get their shirt sizes tomorrow,’” in case she and the sponsor decide the participants should all wear matching shirts. “But Carrie will step back and think things through carefully and weigh the pros and cons.”

Visually, too, the pair are a study in opposites. Della, born in Hong Kong, is compact, with short gray hair and quick, emphatic speech. Carrie, with all-American blond ringlets and pale freckles, has a more laid-back, surf-and-sand look. Although Carrie stands just 5-foot-4, she towers over her diminutive, energetic mother.

Their yin-and-yang energy worked well for many years, but by 2005 Carrie had a growing sense of unease, which came to a head in 2009 as she pondered the future of the business. She wondered whether the company could play a larger role in producing meaningful, open conversations. She is a mother of two boys, and “when you have children, you think about, ‘How do I want to participate in this world so I’m creating benefit for them?’”

Carrie van Heyst had already seen how a more transparent model, tightly integrating live events and digital content, could have powerful results. In 2003, she and Della persuaded Time Inc. to be a co-sponsor of a conference called “The Future of Life,” celebrating the 50th anniversary of the discovery of the structure of DNA. The event brought together renowned scientists, including the DNA pioneer James Watson, and social thinkers like Stewart Brand, Paul Saffo and Jaron Lanier. From the outset, the event was designed to spin off content for multiple platforms including Time magazine, its Web site, broadcast TV and DVDs.

The event convinced Carrie van Heyst that live publishing had the same potential as old-fashioned live TV for spontaneity and surprise. During one

controversial session, when an ethicist questioned the necessity of embryonic stem cell research, Dr. Watson leapt from his seat and shouted, “That’s crap!”

“That’s the kind of spontaneous thing that can only happen in a live event,” she said. “If you can turn it into live content on other platforms, it extends that excitement outside the walls.”

Since the DNA event, social media, streaming video and mobile computing have made cross-platform content easier to create and view. Recently, as companies have crawled out of the recession, more Van Heyst clients have become interested in the potential of live events combined with digital content.

This year, Forbes will produce eight events, including a health care conference in New York that the Van Heyst Group is coordinating. The invitation-only event will include 250 health care executives, physicians, investors and other leaders. From it, Forbes will produce a print article, online content and an e-book summarizing the event and its conclusions.

“Conferences have been around for a long time,” said Mike Federle, chief operating officer of Forbes Media. “What’s happening now, though, is part of the irony of digital media. As the world is more connected digitally, it only seems to accentuate the need for personal interaction, so conferences are enjoying a real surge.”

IN a startling reversal, some start-up media companies are making events their flagship, and then building blogs, e-books or other content around them.

When David Kirkpatrick, a former Fortune editor and author of “The Facebook Effect,” began his company, Techonomy, in 2010, he worked with the Van Heyst Group to introduce it, with a conference for nearly 300 business leaders at the Ritz-Carlton at Lake Tahoe. “Events are not the only thing we do, or are going to do, but we started with them because they’re reliably profitable,” he said.

In 2011, the second Techonomy conference drew participants including Marissa Mayer, Esther Dyson, Jack Dorsey, Jeffrey Katzenberg, Steve Case and Lyle Lovett. Attendees paid \$4,500 each, plus lodging and airfare. Attendee fees make up

roughly half Techonomy's revenue; the balance comes from sponsorships, which cost \$65,000 to \$375,000 each, Mr. Kirkpatrick said.

Like many conferences produced by media companies, the live portion of Techonomy is exclusive and invitation-only, but it opens to a broader discussion through a partnership with Forbes, which covered the event with online articles and video.

Media clients aren't the only ones to respond to Carrie van Heyst's efforts to make events more open. This year, for instance, the Van Heyst Group developed a live blog with video, photographs and text for the Cisco I.T. Executive Symposium, for 125 corporate executives.

"In the past, Cisco had been very rigid about having executive events be off the record," said Erica Spoor, a global event strategist for Cisco. "But we felt like, Cisco is in the communication business, and having a closed circuit event doesn't make a ton of sense. We're moving to an era of complete transparency and sharing."

Of course, corporate communications at many companies still shy away from the limelight. As for media companies, even if live events do become a significant third platform, that's no guarantee of steady work for the Van Heyst Group. It's certainly not the only company producing thought-leader events. And even if it manages to outperform its rivals, some clients may decide to take the organizing in-house.

"It's fine to outsource at the beginning while you're learning," Mr. Doctor, the media analyst, said, "but if events become a third or fourth revenue source, I'd want to have that expertise inside."

Still, for the moment, live publishing has been good news for the Van Heyst Group, where media businesses now represent half of its clients. The company, which had to lay off half its staff in the recession, has grown back to 16 employees. Revenue has risen to \$2 million, and the company expects to turn its first profit in five years in 2012, Carrie van Heyst said. And, like its media clients, it is moving to diversify its income. It has developed a proprietary software tool, which it now licenses to clients, to help manage and develop audiences for very large events.

THE company has also diversified its client base, decreasing its share of tech companies and adding health-oriented nonprofits like the **Bill & Melinda Gates Foundation** and the **Robert Wood Johnson Foundation**, and community-oriented projects like **TEDxMileHigh**, a TED spinoff for innovative ideas in the Denver region.

“All of this shows Carrie’s stamp on the company, and out of it grows a different kind of thinking, a different concept of what’s important in life and business,” Della van Heyst said. While Della has stepped away from daily involvement, she hasn’t gone far. She also subcontracts to clients who want her specific input.

For now, at least, the live-publishing trend shows no signs of slowing. “Digital communication affects companies in all kinds of ways,” Mr. Doctor said, “but it’s really this recombination of the digital and physical that defines the age we’re in.”

A version of this article appears in print on September 16, 2012, on Page BU1 of the New York edition with the headline: Mining the Power (and the Profit) of Conversation.

---

© 2019 The New York Times Company