

October 7, 2007

A Made-for-TV Boss Helps Revive ABC

By **BROOKS BARNES**

Los Angeles

YOU know [Michael Eisner](#). You know [Barry Diller](#). Meet Stephen McPherson, the latest Hollywood executive cast in the dual roles of entertainment genius and volatile bulldozer.

Mr. McPherson, 42, runs the [Walt Disney](#)'s broadcast television empire. As president of ABC Entertainment, he woos Hollywood divas and indulges advertisers, tweaks prime-time schedules and manages affiliates. Most important, he identifies hit scripts while balancing huge budgets, exhibiting what colleagues and competitors describe as an unusual combination of creative and business acumen.

Still, Mr. McPherson finds himself on perpetual thin ice. Modern Hollywood — with its reduced budgets, fraying business models and corporate overlords — prefers its executives to showcase themselves as cogs toiling for shareholder returns. The brand-conscious Disney, in particular, expects its division chiefs to keep a modest profile, stay on message and play nice with corporate siblings.

Mr. McPherson does few of those things. He exhibits a blunt, temperamental style that at times creates a frosty relationship with his superiors and leaves subordinates ducking for cover, say current and former Disney executives. He fires off nuclear e-mail messages, fumes over

downbeat ratings and once yanked a \$10 million comedy after a single broadcast because he didn't like its creative direction.

"He's confident in his opinions. He doesn't sugarcoat. His position doesn't sway in the wind," said Rich Frank, former president of Walt Disney Studios. "That can leave people raw."

[Robert A. Iger](#), Disney's chief executive, will decide in the coming months whether to renew Mr. McPherson's contract, which expires next spring. How ABC's schedule fares this fall — anchored by hits like "Grey's Anatomy" and featuring promising newcomers including "Pushing Daisies" — will factor prominently in that verdict. Mr. Iger's decision will also signal the kind of leadership he seeks for a crucial business unit that has only recently emerged from a long run of problems.

"Steve is a great television programming executive," Mr. Iger said. "He knows what he likes and he works extremely hard to make ABC's shows better."

Keeping the broadcast unit humming is more important than ever for Disney. Its consumer products and theme-park businesses are facing a tougher economy than they did in recent years, and the film studio is grappling with an industrywide slowdown in DVD sales. ABC has its own problems, not the least of which is figuring out how to make money in the age of ad-skipping digital video recorders.

MR. McPHERSON (pronounced Mc-FUR-son) is by all accounts a programming ace. He was responsible in full or in part for developing 5 of the top 15 shows for the 2006-7 television season, including "Grey's Anatomy," "CSI: Crime Scene Investigation" and "Desperate Housewives." Among his other credits are critical favorites like "Scrubs" and the drama "Monk," both of which he helped develop in his previous role as head of Disney's internal

television studio.

Writers credit him with making specific creative tweaks that helped some of these shows become hits. Marc Cherry, the creator of “Desperate Housewives,” said Mr. McPherson persuaded him to rethink the casting of the show’s narrator. “He suggested — not ordered, suggested — that I consider a voice with more theatrics in it,” Mr. Cherry said. “I will be forever grateful for that observation.”

When Mr. McPherson took over ABC three years ago, he made some important operational changes, too. He stopped marketing new shows equally, a vestige of the pre-cable era intended to keep producers happy. And he was the first Big Four network executive to aggressively court the country’s growing Hispanic audience (including dubbing shows into Spanish and pushing his staff to cast more Hispanic actors).

“I didn’t do that because I’m a nice guy,” he said recently over breakfast near ABC’s headquarters in Burbank, Calif. “I did it because it’s smart business.”

He also does not dispute that he has left a long trail of hurt feelings and bruised egos in his wake, but he says disagreements are to be expected in any creative business. He also says that he is misunderstood. “I don’t see myself as a bully,” he says. “I know I’m demanding. My biggest gift and curse is that I want to win.”

Mr. McPherson’s unit has emerged as an important engine behind Disney’s recent earnings momentum. The division reported \$733 million in operating income for the first nine months of its 2007 fiscal year, compared with \$320 million for the first nine months of 2004. Last spring, ABC secured fat increases in advertising prices, prompting some analysts to upgrade Disney’s stock.

Because more of Mr. McPherson's programming bets are paying off, ABC did not need to make as many pilots in 2007, leading to about \$50 million in cost savings, analysts estimate.

Though impressive, these critical and financial successes don't guarantee a continued climb for Mr. McPherson at Disney. In an industry built as much on relationships and image as anything else, personal style still matters.

Mr. McPherson, who professes a distaste for Hollywood's schmoozy brand of politics and massaging of the press, is well known in the television business for baring his teeth. When Fox extended an episode of "American Idol" by 12 minutes in March in an attempt to torpedo ABC's premiere of "Dancing With the Stars," he fired off an angry e-mail message to Fox's top scheduling executive.

When bidding on new projects, Mr. McPherson sometimes threatens to cease doing business with the people involved if things do not go his way, say agents who have negotiated with him.

His personality was on display in May at the industry's high-stakes "upfront" presentations, where advertisers place some \$9 billion worth of ads for the coming television season. While his counterparts wore dark suits and read scripted remarks off teleprompters, Mr. McPherson strutted the stage with no tie and improvised. Part of his opening line was "I'm a little upset."

What followed was a joke about his presentation at the same event a year earlier, when he danced a suggestive cha-cha-cha on stage at [Lincoln Center](#) to mark the success of "Dancing With the Stars." Mr. McPherson cracked that he was upset because NBC's president did not up the ante with a splashy performance of his own.

And that was Mr. McPherson being diplomatic. On other occasions, his comments have made his superiors wince. In July, he called an NBC executive “either clueless or stupid” at a press event after the executive sidestepped a question about his involvement in a management shake-up at the network. At a television critics convention, he told a group of reporters that he hoped their absent colleague had been in a car crash, according to two people who were present.

Mr. McPherson says he does not recall that situation but says he was probably just blowing off steam. “This is a business where people are constantly throwing bricks at your head,” he says. “You would never walk up to a bank officer and say, ‘Gee, I really hated that loan.’ But people think nothing of ripping apart something I have put my heart and soul into.”

HIS public comments add to an already strained relationship with his boss, Anne Sweeney, co-chairwoman of the Media Networks Group at Disney. The two are an odd couple in many ways, but their differences are particularly pronounced when it comes to their public personas. To put it in Disney theme-park terms: If she is a perfectly scripted animatronic figurine from It’s a Small World, he is a Matterhorn bobsled veering off its track.

Credit for ABC’s turnaround can be a sensitive subject. Ms. Sweeney usually serves as the public face of Disney’s television operation, which makes Mr. McPherson worry that his accomplishments go unseen. “This is a one-person job,” he said, referring to his ability to run ABC without heavy supervision.

The pair’s working relationship may not have hindered the division’s growth — at least not so far — but Mr. Iger has made it clear in comments and actions since taking over the company that he does not view warring executives as a healthy dynamic.

Mr. McPherson said, “People love to gossip about office politics, but I think our success

together speaks for itself.”

Ms. Sweeney said, “Steve’s passion is one of the many things that makes him good at his job.”

In recent months, he has worked to dispel tension between himself and other executives, particularly his successor at ABC Studios, Mark Pedowitz. At a company team-building retreat in July, he matched up with Mr. Pedowitz on stage to kick off a night of corporate karaoke. Their song was “What the World Needs Now Is Love.”

In April, Mr. McPherson doled out dollops of thanks to his staff — literally. To recognize their work on the network’s spring pilots, he flew in 12 tubs of ice cream from a New Jersey parlor and pushed a cart up and down the aisles of ABC’s corporate headquarters, scooper in hand.

Unlike many of his peers, Mr. McPherson did not grow up obsessing over television. For a large portion of his childhood, he lived in Europe, where his father was headmaster at the American School of Paris. His television diet consisted of reruns of “Love Boat” and “M*A*S*H.”

After graduating from Cornell with a political science degree, he went to work on Wall Street as a foreign exchange broker. He handled Australia, which meant going to work in the middle of the night.

Fed up with Wall Street, he decided to try his hand in the entertainment business in 1990. He set off for Hollywood, where a fraternity buddy, Kevin Reilly, was working in television. With Mr. Reilly’s help, he was hired as a production assistant for a producer of “The Golden Girls.” His duties, for which he was paid \$180 a week, included baby-sitting and chauffeuring.

He eventually got a programming job at Fox, and moved to Disney’s TV studio in the mid-’90s,

climbing the ladder to become chief of the division.

ABC was largely written off by competitors when Mr. McPherson arrived in April 2004. The network, losing the ratings race, had limped along for years. Its handling of the game show “Who Wants to Be a Millionaire” had become the textbook example of how to kill a franchise through overscheduling. Some affiliates were in open revolt. Ad sales lagged behind those of some rivals by more than 20 percent.

Guided by Mr. McPherson, ABC reversed course. The network is now home to a parade of hits, including “Dancing With the Stars,” the family drama “Brothers & Sisters” and the fish-out-of-water comedy “Ugly Betty.” This year, ABC received 70 Emmy Award nominations, the most of any broadcast network. And the network may have another successful series in “Private Practice,” which had its debut two weeks ago and is a spinoff of “Grey’s Anatomy.”

Lucky timing helped. Mr. McPherson’s predecessors started “Desperate Housewives” and the castaways drama “Lost,” although Mr. McPherson nurtured them. He also got a big boost from Mr. Iger, who ripped up the network’s cumbersome decision-making process, giving Mr. McPherson more power to make programming choices. Now, ABC has been better positioned to beat rivals to hot projects.

While Mr. McPherson’s style may ruffle corporate feathers, it has made him beloved to many actors and producers. In an industry known for its knife-in-the-back approach to business, Mr. McPherson’s knife-in-the-front manner stands out and is appreciated, and has been the reason ABC has nabbed some ratings-grabbing stars.

The Oscar winner Sally Field, the star of the drama “Brothers & Sisters,” says she initially had no interest in the show after an earlier, “horrible” experience at ABC. Ms. Field, then starring in

a series called “The Court,” said she got a call one day from an ABC executive professing love for the series. She says she learned a few days later — by watching an episode of “Entertainment Tonight” — that the network was canceling her series.

Ms. Field says Mr. McPherson changed her mind about returning to ABC. “He sent me the loveliest notes about how the network has changed and about his support for me and the show,” she says. “It felt like if ABC ended up canceling us overnight, at least someone would call me this time.” Ms. Field, who won an Emmy Award last month for the role, keeps the e-mail messages on her bulletin board.

Mr. McPherson has won respect from writers by developing a different kind of reputation. They see him as a type of Mr. Fix-It who has a unique ability to pinpoint subtle script problems.

Damon Lindelof, executive producer of “Lost,” said that he originally planned to kill off the show’s hero, Jack, in the first episode but that Mr. McPherson convinced him that it was a bad idea. “He made us realize that if we killed Jack, the audience would never trust us again,” Mr. Lindelof said.

With “Grey’s Anatomy,” Mr. McPherson made the unusual decision to halt production after just a few episodes because he didn’t like the tone of the show. He said some central characters were emerging as too unlikable. Such calls are rare because of the tight production schedule for television shows, and any interruptions can cost millions of dollars.

“I don’t think the heads of the other networks would have done that,” said Shonda Rhimes, the “Grey’s Anatomy” creator. “It took guts.”

ALTHOUGH the new television season is only two weeks old, ABC is off to a robust start. It

currently ranks No. 1 among adults age 18 to 49, the demographic group that most advertisers pay a premium to reach, according to Nielsen Media Research.

Of particular note is “Cavemen,” a comedy based on a popular series of Geico insurance commercials; it had its premiere on Tuesday. The comedy lured a strong 4.5 million young-adult viewers and was particularly popular with young men — a group that ABC, heavy on soapy dramas, has struggled to attract.

If the series is successful, it could rewrite the relationship between programmers and advertisers. Marketers have long depended on so-called product placement, where items are written into the storyline. But as commercial-skipping DVRs become ubiquitous, some advertisers are pressing networks to create programming that subtly reminds viewers of a brand name.

The network race is a brutal one, but Mr. McPherson still counts Mr. Reilly as one of his closest friends — despite the fact that they are professional rivals. Mr. Reilly runs programming at Fox, a job he also held at NBC.

“As a friend, he would do anything for me,” Mr. Reilly said. “But as a competitor he would like nothing more than to cut off my head.”

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