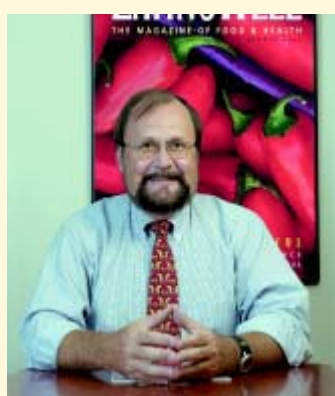


The Second Time Around

An inside look at entrepreneurs who bought back the company.

by Virginia Lindaur Simmon



**James Lawrence of
Eating Well**

Eating Well

Sometimes, you have to leave in order to arrive. In 1990, James Lawrence, the publisher of *Harrowsmith Country Life*, launched *Eating Well*, The Magazine of Food & Health, funded by Telemedia Communications (USA) Inc., the U.S. subsidiary of a Canadian multimedia corporation.

Eating Well was an instant success, with paid circulation climbing to more than 400,000 in the first year and to 650,000 by 1995. A series of unexpected senior management changes within Telemedia's Canadian parent company eventually led to Lawrence's leaving the company to found Chapters Publishing Inc., "a publisher of cookbooks, nature books and gardening books," says Lawrence.

Following Lawrence's departure, *Eating Well* went through a series of personnel and ownership changes and strategic shifts. In mid-1999, the publisher decided to cease publication, citing weak advertising sales.

Lawrence says he "tried very hard to look the other way while all of that was going on, and I had absolutely nothing to do with the magazine."

By the time of *Eating Well's* demise, Chapters had been sold to Houghton-Mifflin and Lawrence and his wife, Alice, had started Microcosm Ltd., "a small book publishing company that does books in the field of marine biology and saltwater aquarium husbandry."

Lawrence was periodically approached by former staff members, who talked about the "loyal readers out there who still wanted a magazine like *Eating Well*. Particularly Betsy Heiser, nutrition editor from the beginning, was determined to do something with the concept," he says.

He and Heiser explored ways to spin off the concept, "perhaps as a newsletter or something between a newsletter and a magazine," says Lawrence. Before anything could gel, Heiser was killed in a car accident.

Realizing how many great people had gathered around the *Eating Well* project and were still in the area and interested in getting the magazine going again, Lawrence decided to take the plunge.

"I had to figure out who owned it," he says with a verbal wince. The editorial assets had been purchased by a dot-com venture put together by some of the former editorial staff. "They started out as DigitalChef.com, became Tavolo.com, and they were bought by OurHouse.com." Our House was on the verge of selling to Amazon.

"We were able to get them to put aside the *Eating Well* assets and made a separate deal for the *Eating Well* name and URL eatingwell.com and a library of recipes that were developed by *Eating Well*, as well as a whole slew of general rights to the editorial concept that was created by *Eating Well*."

The notion of the relaunch was based on using the same editorial formula, updated, without advertising, one used successfully by publications like *Cook's Illustrated* and *Farm Woman* magazine.

"The other goal was to do it without a huge publishing partner," says Lawrence, "to grow more slowly and work with regional investors." Through Mike Flynn of Gallagher, Flynn and Spencer Knapp at McKenzie, Knapp and McAndrew, Lawrence hooked up with Fresh Tracks, a venture capital firm in Middlebury. "Through Fresh Tracks, we found support from Boston Community Ventures, which was looking to invest in Vermont, and the Angel Investors Group, based in Shelburne, led by Reg Gignoux."

The new *Eating Well* is a quarterly magazine published from the same Charlotte offices (and using the same, though updated, test kitchen) as in its first incarnation.

Revenue streams come through subscriptions and single-copy sales at natural food stores, of which there are about 10,000 nationally, and book stores, such as Barnes & Noble and Borders. "Then we're going to grow beyond that to supermarkets that have organic natural food sections." Added to that are planned ancillary products, "primarily books and other sorts of recipe collections," and the launch of another magazine title in the third year of the plan.

While he's definitely having fun, Lawrence says it's terrifying as well, "because we're doing it on the thinnest of budgets. The first issue [Summer 2002] was a virtual sellout on the newsstands, and we've had very good response from former subscribers. We were able to find an old mailing list, and they responded in droves."