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Investing in Brains

Pat McGovern’s Philanthropic Quest

By Glenn Rifkin

The transformation of the Kendall Square technology hub in Cambridge, Mass., is startling. Where the headquarters of the Polaroid Corporation, now defunct, once sat alone in its self-proclaimed Tech Square, Kendall Square has morphed into a crossroads destination for some of the world’s best and brightest thinkers. In a relatively short time, the once moribund neighborhood on the border of the M.I.T. campus, has become a world center for biotechnology, a draw for most of the world’s largest pharmaceutical companies, and a mecca for all manner of scientific and technological research organizations, from the Broad Institute to Biogen Idec.
Among the more recent additions to the neighborhood is M.I.T.’s eye-catching six-year-old glass-and-steel Brain and Cognitive Sciences Building, which houses the McGovern Institute for Brain Research. This is a state-of-the-art LEED-certified green edifice at the intersection of Vassar and Main Streets, and the McGovern Institute, financed by a $350 million gift from Patrick J. and Lore McGovern, has quickly become one of the top neuroscience research centers in the world.

At 74, the 6-foot-4 McGovern, the founder and chairman of International Data Group, a $3.2 billion global media, research and venture capital conglomerate, is still an imposing figure, straight-backed and sturdy, with penetrating blue eyes and a kind, open face. Though he is a billionaire and technology-industry pioneer, he has maintained a self-effacing, humble demeanor throughout his nearly 50-year career. He travels without an entourage and, unlike many a self-important top-shelf business celebrity, he will talk about himself only reluctantly.

His greeting, as usual, is warm but restrained, bespeaking his intensely private nature. He has never been a touchy-feely type, and his somewhat robotic manner can seem aloof to those meeting him for the first time. In truth, McGovern cares deeply about people and as his career winds down, he believes more than ever that technology and its widespread dissemination and use will bring people together more effectively than politics or economics. Though he has an estimated net worth of over $3.3 billion (No. 103 on the 2011 Forbes list of the wealthiest Americans), this construction worker’s son cares little for the trappings of wealth. He still flies coach and eschews black limousines for taxis.

Getting a tour of this stunning research facility with the man himself is enlightening. The institute, like the building, is state-of-the-art. A core team of accomplished neuroscientists, including the Nobel Prize winner H. Robert Horvitz and the National Medal of Science recipient Ann Graybiel, has turned the decade-old M.I.B.R. into a hotbed of research and a sought-after destination for young post-docs and graduate students.

The M.I.B.R. is highly unusual in that the McGoverns insisted that it be more than an academic department within a major university, but instead a multidisciplinary melting pot where researchers in a range of fields could collaborate on leading-edge ideas.

“Lore and I talked a lot about the idea that the more we could understand the brain, the more we could solve human problems,” McGovern said. “We knew that someday we wanted to contribute to that idea.”

By 1996, the McGoverns felt the time was right to move ahead. Technology had advanced far enough to catalyze a whole new level of sophisticated brain research. They established an advisory board of five Nobel laureates in the neuro and biological sciences and began to formulate a plan. In light of the size of the potential gift, the McGoverns had no trouble attracting top-level academic interest. They received ambitious proposals from a range of universities, including the University of California at Berkeley, Stanford, Caltech and Columbia. But all of these proposals focused on creating a single academic department, where all researchers would have to become faculty members in that department.

It was M.I.T. that offered the environment the McGoverns sought. In 2000, the university’s president, Charles Vest, announced the $350 million gift, one of the largest in the history of higher education. The M.I.T. biology professor Phillip Sharp, a Nobel laureate, was named founding director. Most people assumed the donation came because McGovern is an M.I.T. alumnus. But he insists that wasn’t the case. “We just wanted the best center,” he said.

Here, the work spans a wide range of neuroscience research, from understanding the basis of learning and memory to a search for deeper understanding of brain disorders like schizophrenia, bipolar disorder and autism. Simultaneously, work is being done to find the cause and possible cures for brain diseases like Parkinson’s and Alzheimer’s. More esoteric advances, like Ed Boyden’s work in the field of optogenetics, are showing promising results for controlling brain functions with light.

“People here are excited because they are translating what they are doing at the lab bench into something that is going to help society,” said Robert Desimone, the M.I.B.R.’s current director. “They are getting the financial and emotional support that gives them confidence to go into these areas and take risks in developing new research programs, programs that weren’t happening before. It’s extraordinary to see this come together so quickly. It’s an incredibly powerful...
research enterprise coming together almost overnight, in scientific time.”

For a man who maintains a low profile, McGovern’s presence has the same impact at M.I.T. as it does when he arrives at IDG’s offices. In both locales, he is a rock star and, here, the scientists observe him with the same mixture of awe and admiration that his employees do. It may be because the building has his name on it, but, more likely, these brilliant researchers are as moved as McGovern’s thousands of employees by his deep personal interest in what they are doing. He didn’t just write a check. He is hands-on, present, attending three-day seminars on esoteric subjects, speaking to scientists at length and staying abreast of significant developments. Ever the entrepreneur, he uses his success in venture capital to seed small “skunk works” projects for researchers with nonconforming ideas within the institute. And McGovern has a deep interest in people.

Ever the visionary, McGovern pointed out that the M.I.B.R. is just the first piece of what he envisions as a family of global brain centers. The McGovers have allocated $1.2 billion of their fortune to support neuroscience, and similar research institutes will be built in China, Germany and Singapore. The first such center, at Tsinghua University in Beijing, which McGovern calls “the M.I.T. of China,” is already set in place with effectively than politics or economics.
Back in the early 1980s, I went to work as a writer for Computerworld, at the time the most popular and influential technology trade publication in a burgeoning industry. Having had no background in computers, I was dazzled to suddenly be covering the likes of Steve Jobs, Bill Gates, Ken Olsen and An Wang, luminaries who were changing the technology landscape and grabbing increasing real estate on the pages of mainstream business publications.

As the crown jewel in the International Data Group’s empire, Computerworld was a cash machine in those days, each weekly issue as thick as the Manhattan phonebook, and the apple of the eye of IDG’s founder, Patrick McGovern. It wasn’t long after joining an IDG publication that you began to hear about Uncle Pat, a big bear of a man with a warm disposition and unusual ideas about how to run his company. Corporate headquarters then were in Framingham, Mass., around the corner from Computerworld’s offices. Despite his proximity, McGovern was rarely in our building. He spent much of his time flying around the world, setting up publications in every country that would have him. These included Communist China, where in 1980 he became the first foreign entrepreneur to successfully start a joint venture, an effort that would reap huge dividends over the next 30 years.

When he did show up, word spread quickly and a sense of nervous anticipation would blanket the office. The Big Guy was here. Stay alert. This was especially true around Christmas, when McGovern would personally visit every one of IDG’s thousands of employees and shake hands, make personal small talk, thank them for a job well done and hand out holiday cards with hefty bonus checks stuffed inside.

For those of us making little more than $25,000 a year, the check was a welcome gift. But it was that personal connection that McGovern insisted on making that left an indelible mark on most who worked there. With his photographic memory, McGovern not only remembered your name but he would mention some article you had written or project you were overseeing and he would ask about it, offer congratulations and make you feel that your contribution really mattered. If you had ever worked elsewhere, you knew that chief executives bearing cash bonuses were mythological creatures, not unlike unicorns. And soon after this happy moment, the company’s lavish Christmas party, held in a fancy downtown Boston hotel, topped off the year. Employees and their spouses, decked out in their best party clothes, were treated to a remarkable evening of food, drink, dancing, videos and door prizes that consisted of all-expenses paid trips for two to Caribbean islands, ski resorts or other luxury destinations.

No one danced and worked up to a year-end frenzy more than Pat McGovern, out on the dance floor until the very last disco song ended, with his striking wife, Lore Harp, herself a successful entrepreneur. At 6-foot-4 and 250 pounds, built like an NFL linebacker, McGovern, usually reserved and unassuming, would let loose and dance as if no one was watching, party as if there was no tomorrow. I remember being astonished at his energy and the sense that for him this night put the stamp on another kick-ass year in which his empire had grown more massive, more influential and more global, just as he’d envisioned when he started the whole thing in 1964. —Glenn Rifkin

Researchers at the McGovern Institute have pioneered a technology called “optogenetics” that allows brain activity to be controlled by light.

Building an Empire

Given his accomplishments, Pat McGovern’s relative obscurity in the high-tech landscape is puzzling. IDG, parent company of IDG Communications, the publisher of hundreds of leading technology-related magazines like Computerworld, CIO, PCWorld, GamePro, Network World, Infoworld and Macworld, and also parent of the global technology research giant IDC, has been a major catalyst in the information technology industry for nearly five decades. McGovern, a peripatetic world traveler, has injected hundreds of industry-leading titles into more than 90 countries and built his privately held company into a $3.2 billion media giant.

From the company’s earliest days, McGovern focused on a world view. When he would return from a long trip and find piles of paper on his desk and countless projects awaiting his signature, he realized that a top-down management structure would stunt IDG’s growth. He became a fanatical devotee of decentralization, of small business units run by talented entrepreneurs who would have the resources to succeed, cheered on by a very hands-off boss.
He made a fateful visit to Communist China in 1980 and, against all conventional wisdom, fostered personal connections that led to the first joint venture of any kind for an American company in China, well before that nation embraced a market economy. In a single day, McGovern met the head of China’s computer ministry, pledged $250,000 and wrote a joint venture agreement to start a newspaper called China Computerworld.

“I thought someone might be interested in this so I went to the local Wall Street Journal office, which was just a private room at the Beijing Hotel, and slipped a short press release that I’d typed up under the door,” he recalled. “The next day, the story appeared in the North American edition of The Journal and my board was furious: ‘Why are you doing business with Commies! This is outrageous. We would have denied you approval to do this!’” McGovern smiles when he adds, “That $250,000 investment made $85 million in profit over the next 25 years.”

Indeed, China Computerworld was the seed that has grown into a $200 million media empire in that vast country and, more important, in 1992, led to the creation of IDG Venture Capital, today the biggest venture capital operation in China, with $4.4 billion under management. By visiting China four times a year, every year, McGovern made personal connections within a government that was just starting to embrace the idea of becoming an innovation society with a thriving start-up environment.

While competitors laughed and said, “You’re crazy, there’s no market there,” McGovern believed in Chinese leaders like Deng Xiaoping and Jiang Zemin who promised massive changes. The venture firm began investing in Chinese start-ups like Baidu and Tencent that have become Internet giants of China. “We put $1 million into Tencent for 20 percent of the company, and it became the biggest instant messaging company in China,” McGovern said. IDG sold its shares in 2001 for $120 million, which is a stellar return. Today, IDG’s 20 percent would be worth $9 billion.

The Chinese venture experiment led IDG to open similar venture funds in San Francisco, London, India, Boston, Vietnam and South Korea. From modest roots, the company now has more than $4.9 billion under management; a majority is in China.

According to McGovern, 70 percent of IDG’s profits now come from its investments rather than its media arm. “We never expected the investments to be so successful, but when you are getting 400 times and 500 times return, it builds up,” he said.

“If you look at the history of the technology industry over the last 40 years, he’s a fundamental part of that story in that he created the publishing industry that supported, advertised, analyzed and publicized the growth of that industry,” said George Colony, founder and chairman of Forrester Research, a leading technology research firm. “We really wouldn’t have been able to understand the architecture of the Apple II or I.B.M.’s corporate networks within large corporations without Pat McGovern, because IDG was educating the world about all those products and companies. Every industry needs that megaphone and he’s been the tech industry’s megaphone for all these years.”

McGovern’s underlying success is built upon an unrelenting passion for what he is doing. He could no sooner retire and play golf than stop breathing.

Jeffrey Rayport, a technology industry consultant and former Harvard Business School professor, has been a director on IDG’s board for a decade. He sees McGovern as a pivotal figure in the rise and prominence of the technology economy in the United States and, increasingly, around the world.

“You could argue that Pat was a kind of Johnny Appleseed on a global basis for the importance of I.T.,” Rayport said. “He sowed the seeds for a professional community to get really smart with respect to the management, marketing and communications about information technology.”

As Rayport suggests, McGovern’s underlying success is built upon an unrelenting passion for what he is doing. He could no sooner retire and play golf than stop breathing. “He’s not just proud of what he’s done, he’s turned on by it,” Rayport said. “He is absolutely and completely passionate about what he does. The venture capital business is just another expression of
his original vision, which was: how do you democratize sophisticated technology that will make people smarter, better educated, better equipped to create wealth, create jobs and create more successful market economies. For him, what IDG really stands for is actually a noble social goal.

Fueling the Dream

From his childhood in Philadelphia, McGovern had an insatiable curiosity that stoked a voracious reading habit and a deep fascination with science and technology. His sister Laurette, five years older, was an intimidating but influential force. “She was an Amazon who could beat me up at a moment’s notice,” he said laughing. Laurette became a mathematician at the University of Pennsylvania and one of the first programmers on the ENIAC computer. “Her enthusiasm for mathematics and computers caught my attention,” he said. Their father was a construction worker who traveled the world to work on massive projects like naval bases in Bermuda, Okinawa and Iceland. Postcards from these exotic foreign locales sparked McGovern’s lifelong passion for travel. At an all-boys Catholic high school in Philadelphia, McGovern, using money from his paper route, built a rudimentary computer that could play tic-tac-toe. He entered the device in the Westinghouse Science Fair and won an award. A member of the M.I.T. alumni association got in touch with him and suggested he come to Cambridge for college. With a bushel of other scholarship offers, McGovern was awed by the prospect of attending M.I.T.

Science was just one of McGovern’s passions. He also harbored an interest in the media and in business. He had edited his high school newspaper and became an editor at The Tech, the M.I.T. paper. He had also taken part in a Junior Achievement program in high school in which local businessmen coached students in setting up and running small businesses. They had to build a product, sell stock and liquidate at the end of each school year. McGovern was elected president of his company all three years.

It was 1964, and what he discovered was a dearth of useful information about computers and their use in Corporate America. During an appointment with Louis Rader, the chief executive of Univac, McGovern shared an opinion that he was seeing too many products that had no proven need in the marketplace. “You’re exactly right,” Rader replied. He went on a rant about the lack of good computer census information. No one had any accurate data on what technology companies were using or how they were using it. McGovern volunteered to send out some questionnaires and create a database of such information, and Rader fairly leaped from his chair. “That’s just what we need,” he said. “What would you charge for this?”

Calculating quickly, McGovern suggested a price of $40,000. Rader replied, “That’s unacceptable.” When McGovern offered a lower price, Rader cut him off: “No, no. You don’t understand. No one will trust information that is so cheap. You have to charge a lot more so they think it’s quality and they’ll use it. Charge $80,000 and they’ll think you’re a professional.”

On the train back to Boston from New York, McGovern was excited. “I like that business model,” he thought. “The higher the price, the more the demand.” He sketched out a business plan for a computer research firm, thought up the name International Data Corporation and then sold his car for $5,000 in order to start a company. He boasts that he has never had to be put another dollar of his own capital into the company. Three years later, again responding to a perceived need in the industry, McGovern began to publish Computerworld, a weekly newspaper, and in short order, it became an industry bible and a cash cow. Spreading its arms to a widening audience, the company became International Data Group. IDC, the research arm, retained the original company name.

In building his company, McGovern remembered a cathartic conversation he had had with Thomas Watson Sr., the legendary founder of I.B.M. Watson had come to speak at M.I.T., and as editor of the student newspaper, McGovern scored an interview. Watson said two things that had a deep impact on the young McGovern. He spoke about valuing employees and giving generous benefits and salaries, a tenet for which Watson and I.B.M. were widely known in corporate America. When McGovern mentioned that he had recently returned from a trip to Iceland, Watson’s face broke into a smile and he began to talk about I.B.M.’s manager in Reykjavik. He not only knew the fellow’s name, but he knew what his wife’s name was and that he had three children. “Here’s a guy running a company with 300,000 people around the world and he knows the name of a manager in Iceland and his wife and children,” McGovern thought. “He really...
does put people first.”

Watson’s insight made a deep and lasting impression. At any gathering of IDG employees, past or present, McGovern’s generosity is always part of the conversation (see sidebar). The company’s ESOP plan has turned hundreds of long-term employees into millionaires. McGovern routinely sends out “Good News” memos — unsolicited personal compliments on a specific job well done. He personally escorts 10-year employees to dinner and 20-year employees are given a weeklong trip for two to anywhere they choose in the world.

Robert Farmer, who has been on IDG’s board for 43 years and was McGovern’s best man at his wedding to Lore Harp, has always been amazed at McGovern’s stamina and drive. “He’s not Hollywood at all,” Farmer said. “He’s a workaholic, lives in hotels, travels constantly. The pursuit of money has never been among his goals. He has never cared for the trappings of wealth. I remember one time when we were in Tokyo. He was taking two Japanese employees out to dinner for their 10-year anniversaries. I joined them and we had a lovely dinner and afterward two limousines pulled up outside the restaurant. It was pouring down rain and as we left, it became clear that the two limouses were for the employees. We had to rush around getting soaked looking for a cab. That’s Pat.”

Yet, with all the personal contact, most employees get a limited version of McGovern. He will talk about them but rarely about himself. Lore Harp McGovern offers a side that few ever see. Married now for 30 years, this is a second marriage for both. Each brought two children into this now blended family, which includes nine grandchildren. She points out that her husband is a devoted father and grandfather and an incurable romantic who is constantly sending her flowers for no particular reason. He loves Joan Baez, Bob Dylan and Joni Mitchell, and despite his tens of millions of air miles already logged, they love to travel together, off the beaten track, on hiking or skiing adventures. After she parachuted out of a plane for her 50th birthday, McGovern followed suit.

“Pat has great compassion,” she said. “I remember in 1990 after the Soviet empire collapsed, we took a trip through Eastern European countries. We rented a car and drove through Poland, Romania, Bulgaria. And everywhere we went, people were so hungry for information about technology. We had set up meetings with people, and we started businesses in these countries. I looked at Pat and said, ‘You are the ambassador of good will.’ He not only set up these businesses, he empowered people and made them feel that they could do good things. He is the most encouraging person you can imagine.”

As the couple prepared for yet another trip to Beijing to sign a letter of agreement with Peking University for a new McGovern Institute for Brain Research, Lore McGovern echoed her husband’s mantra: “So much to do, so little time.”

“He is a dreamer,” she added, “and he thinks very big.”

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