

# When it Mattered

## Episode 33: Megan Cunningham

Chitra: Long before narrative and storytelling became buzzwords in the technology space, Megan Cunningham was pioneering the art of brand storytelling through her content studio, Magnet Media. But, it wasn't easy creating an entirely new media and marketing model, and building a global business. Cunningham learned the cost of burning the candle on both ends, on a business trip one day. Hello everyone, I'm Chitra Ragavan, and this is When It Mattered.

Chitra: This episode is brought to you by Goodstory, an advisory firm helping technology startups find their narrative.

Chitra: Her health crisis convinced Megan Cunningham to acknowledge that scaling a company meant operating a whole different level, both personally and professionally. Here to talk about it is Megan Cunningham, CEO of the brand studio Magnet Media. Cunningham is a sought after speaker on media and marketing trends, especially how data informs the storytelling process to drive measurable impact. She's also the author of the book, The Art of the Documentary, and Cunningham has spoken at many events, including the Sundance Film Festival, the Wharton School of Business, South by Southwest, and the Consumer Electronics Show.

Chitra: Megan, welcome to the podcast.

Megan: Thank you so much for having me.

Chitra: What did you want to be when you grew up? Did you want to be doing what you're doing now?

Megan: When I was younger, I was really fortunate to be immersed in a house that just loved to tell stories. We have a really close family, and everyone's a pretty obsessive reader, but we also love to exchange stories. That was a big part of my life growing up.

Megan: So, when it came to decide what I wanted to be, of course I naturally gravitated towards writing. However, after researching all the schools I could potentially go to, and looking into the writing programs, and visiting campuses, I chose Swarthmore. Yet, when I signed up for my first year of courses, the very first class I took was called, Women in Documentary. Ironically, it was from a visiting professor, who was there from NYU and had a film background. So, I quickly pivoted paths, as an 18 year old, and decided that visual storytelling was really so much more compelling, and that's what I was drawn to.

Chitra: What drew you so much towards video and film? What were the things in that class that shaped the work you subsequently did?

Megan: Yeah, I grew up in a really small town, like many of us in the States. It was really isolated, and sheltered. So I think the exposure that I gained from this course, that was showing so many independent films from throughout history, was really eye opening and transformative in so many ways. We watched work from different decades, and from overseas, and at that time, there wasn't a huge amount of opportunity. Cable television was really just on the rise so there wasn't a diversity of storytellers. That exposure to new people's experiences, and ways of looking at the world was very moving to me.

Megan: I thought, this is how we could create a more empathetic world, if we understood each other, and where everyone was coming from. So that, I felt, politically aligned to, as well as artistically drawn to.

Chitra: There were a lot of conversations that were going on at the time, that were the social activism that was starting, with Black Lives Matter, and things like that?

Megan: Yeah, this was definitely before all of that was formalized. This was probably the second wave of feminism, in the '90s. At that point, I think we had just come out of a Regan-Bush era of a lot of divisiveness, not unlike the era we're currently in, but where people weren't really able to listen to each other, ever. Or, interested in listening to each other. So there was this ... What I saw in the power of storytelling was an ability to understand someone else's experience in a way that you couldn't simply through reading about it, or from conversation.

Chitra: What did you do next?

Megan: So I was fortunate enough to have my name pulled from a hat, in that class. There was an abundance of interest, so a subset were selected to work on a grassroots documentary with our professor. Fast forward the clock, it ended up winning a Student Emmy Award. A year later, we find ourselves in this fancy LA studio, sitting next to the MTV executives. It was really this crazy amount of opportunity that came at all of us, very early on. Thinking oh, I'm 20 years old, I've made it. That part of it was, obviously, very deceiving, that this is how things work. You get lucky, and then you work really hard, and you stay up until three in the morning editing this video, and suddenly your career is set for you.

Megan: I think I did have that good fortune early on, and it was also through a lot of collaboration, and ironing out the creative details that we all felt were important to the project. It happened to be AIDS activism, at the time.

Chitra: So you then ended up at ... What was your first real career opener, was it PBS?

Megan: Yeah. I worked in public television at WNET, and as well as HBO. A number of independent films that were made for those both channels, where the companies would have working space at the networks, because they had these long output deals. Initially, I was in my glory. It was so humbling to be around the filmmakers, and editors, and producers whose work I had watched, again, obsessively for the

past four years. To get to see how they woke up at four in the morning, to get the crew ready, to be on set, to have every little detail. Ironing the carpet that was in the way, way background of the shot, so that everything could just be perfect in the image, that level of discipline and craftsmanship, I think, was awe inspiring. I take those lessons with me to this day.

Megan: However, the downside was that the pace I found to be agonizing. It would take three to five years to go from a concept, to research, to a place where grants were submitted, or you were pitching investors, or networks that would commission episodes of different ongoing programs, like America Undercover, or American Experience. That process I just found, wow, it's going to take my entire lifetime to make three or four films, and I just wanted to move faster. I was much more impatient, I guess, than a lot of the other colleagues I worked with.

Megan: One of my mentors at the time, Larry Silk, who was just a legend in documentary editing, took me out to lunch and said, "You know, Megan, you are really creative, and really hardworking." I was sitting straight up in my seat and thinking, oh finally, somebody is noticing. He said, "However, everyone else here is also very hard working, and very creative," so he's like, "the thing that makes you stand out is you're good at computers." I was devastated, because I thought he was going to tell me I had this really unique, narrative style or something, or editing approach. Instead, it was this vocational, technical skill that he saw, that was a real differentiator for me.

Megan: But, at the time, I went home, I was bummed out. I thought about it, and I thought about it. I had two conclusions from that conversation. One was, if I'm the most technical person, having graduated from a liberal arts college and grown up in a house where my mother was an English teacher, we're all in trouble in the media industry.

Megan: The second was I really should lean into this. This is someone who I admire, and who has mentored a lot of impressive people, and I'm wondering what I can do with the technology side, that can be a source of passion for me as much as the storytelling and creative side was.

Megan: With that, I was scanning the classifieds, which were a thing at the time, and I found a role that said, "Ground floor opportunity to join a startup as employee number two." Again, this was in the late '90s, and not a lot of people were part of startups, certainly not on the East coast. A lot of my friends at the time thought, do you have a real job? There's not a lot of people on that floor that you work on.

Megan: It turned out that it was a massive opportunity for me to build this company. I was at the right hand of a serial entrepreneur, and hired 40 people over three years, and we bootstrapped it, and became this \$20 million company. I really learned a tremendous amount, not just about the technology, but also about building a company.

Chitra: What were your plans afterwards?

- Megan: At that point, I had been working two, three, four years on this really ridiculous schedule, like most startups. I was putting in seven days a week, and 60 hours, and it was just so exhausting. I thought, I don't think there's a light at the end of the tunnel, if I stay here.
- Megan: So I really wanted to return to the creative storytelling part, as well. Part of my goal in taking that job was to get much more confident on the technology side. By the end of that period, we had built studios for Woody Allen, and Oprah, and MTV, and so it was all about this digital transformation. I felt very, very confident that I knew what I was talking about when it came to the technical side, however I really had a yearning to both maintain that technology edge, but really have a creative component to my work.
- Megan: At the time, I was telling the founder I'm going to leave, and I was thinking about six months from now, I'm going to exit the company. He was supportive of that, he knew how hard had I had worked, but he said, "You're not going to go work for some filmmaker, are you?" He's a very persuasive person, and at the time that had been in my head. I was like, wow, I made all these great connections, I could go put together some independent project. But it sounded so small when he described it, that I thought, no, I can't go work for some filmmaker. He really urged me to roll up my sleeves, and start Magnet Media at the ripe old age of 27.
- Chitra: That's amazing. As we know with startups, it's not just the idea, but the timing of that idea that can make or break you. If you're too early or if you're too late, you just can't succeed in the market. The market timing is exquisite, and unforgiving. Did that, in any way, impact your business given that you were starting at a very early stage of the age of the Internet?
- Megan: Yeah. I think that the reality is, I'm really an accidental entrepreneur in many ways. It wasn't my life's dream to run a company, however I did have a very strong vision for the way that the world could be. Which was, still to this day, our mission is telling stories that matter, so that we have a more empathetic, inclusive world. We do that through branded content. But, I will say that vision wasn't something that any other company was doing. I had this grand view of creating, almost, an alternative media industry with fewer gatekeepers, that was more open, and diverse, and that was supportive of ... It was a for-profit organization, but it was supportive of a broader set of stories, that couldn't have been told through the traditional channels.
- Megan: We were a pioneer in a lot of different facets of the industry. We were a pioneer of web video, we were a pioneer of branded content, social and streaming distribution were things that we were talking about in the early 2000s. We were fortunate enough to have Apple as our first client, so that set us up for success, and gave us some gas in the tank, and some assurance that we weren't completely delusional. But, at the time, you make a really good point here, because I think that no one can predict what the horizon of your success is going to be, and when a trend is on target, how long it will take for that trend to truly be monetizable.

Megan: I think that's the biggest unknown, and the biggest risk factor in so many startups, is we needed all these underlying market conditions in order for the company to be successful. So, we needed there to be social networks, then we needed broadband to be ubiquitous, we needed mobile to be a means of capturing and exchanging content. In order to really reach scale, those facts had to all come to fruition. In the early 2000s, those were a pipe dream. YouTube wasn't around until 2005, mobile phones, and social networks came after that.

Megan: I think that those evolutions were things that I knew from understanding the technology, and the direction that things were headed, that those were inevitabilities, but what I didn't, and wasn't able to predict was the timing.

Chitra: Also, YouTube at the time, even when it happened in the early days, certainly wasn't this marketing engine that it was. I think you came in that early period, and were able to capitalize on it when it did become a marketing engine.

Megan: Yes. Yes, thank you for saying that. I'd love to say that, yes, I saw YouTube and I said, ah, this is the turning point for Magnet Media. But, in retrospect it really was but at the time, it took someone at Google who was well connected, and had an ear to the ground and knew of a little company called Magnet Media that was six or seven people at the time, in Manhattan. They called me up and they said, "We hear that you can tell brands that were more than cat videos." I remember being on YouTube at the time, as I had the phone to my ear and saying, "You know, the homepage is all cats right now. I'm not sure that's true, but I can help you make it more than cat videos."

Megan: So, we put our heads together, and did some really exciting projects in the early days, to showcase to the leading creative directors who were really invested in television spots, that the web was not just user generated, low end video, but that it had all these possibilities of brilliant storytelling.

Chitra: Now that Magnet Media was on a roll, you had a different set of challenges, to grow and to scale. At one point, it was so challenging that it almost brought you down, health wise. What happened?

Megan: Yeah, it's funny. I just came across the itinerary from that trip, I was cleaning out a closet that I didn't realize had some old files.

Megan: This was less than 10 years ago, actually, that I was ... We were in very high growth period, we were hiring a number of people, and I still was wearing a number of hats myself. We had just signed with a Hollywood agent, which was really exciting. They had lined up 30 meetings for me in three days, and I was really pushing them to max out the calendar because I was only going to be in LA for 72 hours. I wanted to meet everybody, we had all these brilliant ideas.

Megan: As I was on the flight, I remember feeling like ... I was going through all the preparation materials, and I remember feeling like I was getting really hot. All of a sudden, I was looking down at my laptop and I'm like, wow, it's really hot in here. I went to the restroom and I felt like I was going to pass out. When we landed, I

splashed water on my face. I'm just going to go to these meetings, that was just a weird moment.

Megan: The first meeting, I honestly cannot tell you anything that was said during that meeting, because I was just sitting there, staring off into space, and in such agonizing pain. By the end of the meeting, I just had to excuse myself. I went to the hotel room, and just called 911, because I was doubled over in pain. It turned out that I had what turned out to be, fortunately, very minor health issues, but it was really scary. I was in the hospital for a week, and visited by the head of surgery, my agent sent me flowers. It was this whole thing of, oh my God, am I not going to make it to 40, here? It's a crazy amount of sacrifice.

Megan: At the time, I was really in that same startup mode that any founder is still, where it's whatever it takes, you'll do anything to make it a success, it's really the only thing that matters. I believe it takes a lot of that drive, and commitment to make something successful, to make a company from nothing, but I've learned the hard lesson in that example, that there are moments where you really have to take a step back and say, "Okay, if this is the only way to be successful, I can't sacrifice my life for the success of the company. Something has to change."

Megan: As it turned out, my husband was in Northern California for a Board meeting for his company that same week, and he flew down, and was very concerned, obviously, as I was sitting there with my IVs, and sleeping most of the day. We just sat there, and it was like an intervention. He was like, "You can't keep working these hours." Our son had just been born, he was really young at the time. He was calling me on FaceTime and being like, "Mommy, why aren't you coming home?" It was all these reality checks, in the fact of that pace I was trying to keep, sleeping four or five hours a night, and doing a gazillion different jobs, it wasn't realistic.

Megan: So, in that phase, I really rewrote the business plan and said, "If we restructure the company so that there's a lot more autonomy, that my very talented team could take on, what would this look like?" In that organizational redesign, was the next chapter of Magnet Media, which has brought us to this day.

Chitra: That's amazing. When you were talking about your husband talking to you, and your son being worried about you, I was thinking of, I was just reading this morning about the uproar over the Silicon Valley CEO who had put out this incredible request for a nanny, who was a miracle worker. There's all this debate of, what do women want, working women want? I read this great column in the Washington Post, that talked about the emotional cost of labor. It's like, all of this hidden stuff that women do, that we don't get paid for.

Chitra: You were not only executive, but you also were a mom, and a wife, and a homemaker at the time, so it's not surprising.

Megan: Yeah. I do believe that women have a number of responsibilities. I believe that any founder with a family has a number of responsibilities that are very difficult to juggle. I should also note, just for the record, that I have had, since Jack was born, an absolutely incredible nanny, and support of my parents, and my

husband's parents. We both have incredible brothers. We have a really amazing support network, and even with all that support I think it's still incredibly challenging.

Chitra: Definitely. Where is the whole media industry headed now, would you say, in terms of content marketing, and video, and storytelling? Every day, there's change, every day, there's disruption. Where are we going?

Megan: This is one of my favorite all time questions, so thank you for asking, Chitra.

Megan: I think, reflecting back, we're going to be 20 years old next year, and I will say that the last two decades has probably been the most disruptive that the media industry has ever seen. In those disruptions, advertising has become increasingly blocked, skipped, and avoided, while stories are searched for, discovered, enjoyed, and shared socially. It's this interesting dichotomy where, throughout companies' history, and legacy, and incumbent companies, these large enterprises, they're still often scratching their head on digital transformation. Their teams don't think in social and mobile first ways, their communications are fairly dated, traditionally, where it's more about press releases, and billboards, and media mentions, and things than it is around really owning the story, and producing original content.

Megan: What we're seeing is that, more and more, the brands that are fastest moving, and taking full advantage of all of these distribution channels, are true storytellers. They are really the ones that understand that putting forth filmmaking, and blogs, and podcasting, and streaming series, and working with influencers, and designing immersive experiences, that all of those touchpoints that you could potentially have with your community of customers is the gold that makes a brilliant brand. And frankly, a sustainable company.

Chitra: I think it becomes even more necessary today, when you look at we're all at the mercy of algorithms. If you look at how Facebook has changed its algorithm, for instance, to favor person-to-person communication and storytelling, as opposed to corporate advertising and marketing, it becomes all the more important, I think, for companies to figure out, how do we work around these changes? How do we play with these algorithms, and be able to still get our message out?

Megan: Absolutely. I think that aspect of how to get the message out is so critical, because it really comes down to both the art and science of modern marketing. The art is really around thinking through consumer insights, and really having the pulse of the culture. The science is understanding how do you now take those story ingredients, and form a story along the lines that will be shared socially, or discovered through search.

Megan: If you understand both the search dynamics and the social climate, and how to tap into those key distribution channels, I think that's a winning combination.

Chitra: I think one of the interesting things you told me earlier was that brands have to be patrons of culture in a weird way, they need to be able to tap into what's affecting people at an emotional level, and culture is one of it.

Megan: Absolutely. I just got back from Davos, as you know, and we were talking about this earlier. One of things that was so, frankly, inspiring to me was that while the prior years' average age was something in the late 60s, or early 70s even, and was largely white and male, this year there definitely was a movement towards increasing diversity.

Megan: They have a long way to go, so I don't want to claim any victory, but I will definitely say that it felt very earnest to me, in terms of leaders who were really shedding a lot of the closed door meetings, and private brokering of power, and instead were making themselves much more available, and having transparent conversations, in some cases very difficult conversations that I'm sure they didn't want to be having in public around the state of their company, or their own career decisions. They were open to being challenged, and it was really refreshing to see that opening up of access to power.

Chitra: Looking back, what are your closing thoughts on who you were, and what you have become, and the work that you're doing today?

Megan: It's interesting, I still feel like I have a lot of things to do. Hopefully this isn't an achievement award type of retirement speech, here.

Megan: However, I think my greatest ... I feel like, on a personal level, I will say the support system of my family and friends, and my team has been my greatest fortune. Every moment that was heartbreaking, or a devastating setback, and frankly in the early days we had them once an hour. I felt like it was a victory when those only happened once a month, after many years. But, you always have these disappointments when you're doing something really ambitious, so having that system of support with my friends, and my family, and my team has always been so gratifying, and so fortunate.

Megan: My mentors. Having Alex Juhasz teach that Women in Documentary class, having Larry Silk really be such a wise mentor from the editing room, and seeing what I could not see in the possibilities of my future, on the technology side.

Megan: I think that, ultimately, this movement towards storytelling, it's just getting started. We, for years, have largely been a video first company, and over the last six months we've launched four original podcasts. We're always students of the business, and trying to bring a beginners' mind to every new year, to what's hot, and different, going to allow our clients to stand out, and really catch a wave of new interest. I'm really fascinated by TikTok right now, I think it's taking over the mobile attention of Generation Z, and increasingly Millennials, and even Gen X. There's all these new platforms and new mediums, and to me, just getting to explore and enjoy the possibilities of those storytelling formats is really a privilege.

Chitra: Megan, thank you so much for joining me, and for the fascinating conversation.

Megan: I appreciate being a guest on your terrific show, thank you so much for inviting me.



Chitra: Megan Cunningham is CEO of the brand studio, Magnet Media. Cunningham is a sought after speaker on media and marketing trends, especially how data informs the storytelling process to drive measurable impact. She's the author of the book, *The Art of the Documentary*. And she has spoken at many events, including the Sundance Film Festival, the Wharton School of Business, South by Southwest, and the Consumer Electronics Show.

Chitra: This is *When It Mattered*, I'm Chitra Ragavan.

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Chitra: Join us next week, for another edition of *When It Mattered*. I'll see you then.