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PUBLISHING

Profits in "Continuing Education"

Just before Christmas, nine years ago, the bulletin board at the Crowell Collier Building in New York carried a grimly humorous notice: "We regret to inform you that there is no Santa Claus." Crowell Collier was folding its two mass-circulation magazines, *Collier's* and *Woman's Home Companion*, and dismissing its employees. There was speculation at the time that Crowell Collier would soon follow its magazines down the drain. Instead, says Chairman Raymond C. Hagel, 49, the company has "gone through a whole life cycle in less than a decade." Last week the company announced record profits of \$9,292,000 on sales of \$127,287,000 in 1965.

Crowell Collier achieved its comeback by catering to the nation's ever-growing appetite for knowledge. In 1960 the company bought, for \$8,000,000 in cash and an undisclosed amount of stock, the Macmillan Co., the U.S.'s third largest college-textbook publisher.

Crowell Collier & Macmillan, Inc., as the firm is now known, currently commands 5.3% of the \$561 million textbook market. Chairman Hagel, a veteran of McGraw-Hill and the Scripps-Howard chain, who joined Crowell Collier as a consultant in 1957, next moved into another basic-education marketing area: home study. For \$3,194,000 he bought a 96% share of the LaSalle Extension University of Chicago, a correspondence school, ex-

panded its courses, and more than quadrupled sales by 1965. He went on to buy the Free Press of Glencoe, Inc., Ill., and Science Materials, Inc.; he also invested in Famous Artists Schools of Westport, Esquire Inc., and in the book-publishing firm of Grosset & Dunlap. In 1962, for less than \$1,000,000, he bought Brentano's, the 16-store chain of bookstores.

Two weeks ago, Hagel made another foray into what he describes as the field of "lifetime continuing education." For about \$5,000,000, Crowell Collier bought the famed Berlitz Schools of Languages, and Berlitz Publications, Inc. Berlitz, which offers courses in 46 languages, is the innovator of a "total immersion" teaching technique that drowns a student with 13 hours a day of lessons, even at mealtimes. American firms are sending more and more of their men to Berlitz before sending them overseas, and now provide 40% of the firm's business, which last year amounted to a tidy \$5,000,000. In April, Berlitz plans to add a Far East division, starting in Tokyo, to its American chain.

As for Crowell Collier, which hardly need worry about next Christmas, Hagel predicts more additions to the "continuing education" group.



PUBLISHER HAGEL
Santa had a mighty thirst.