

Thought Leader Spotlight

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As part of The Azara Group's monthly newsletter, we select a business leader to share insights about leadership, being an influencer, and career development. Our objective is to help support your ability to flourish as a leader and share what makes people thrive in business.

Fred Mwangaguhunga

Editor and Founder of MediaTakeOut.com LLC

Education: Columbia Law School (J.D.)
Columbia Business School (M.B.A.)
John Jay College – CUNY (B.S. in Legal Studies)

Previously With: The Laundry Spa
Cleary, Gottlieb, Steen & Hamilton LLP
Kirkland & Ellis LLP

Interesting Details: Founded his media company MediaTakeOut (MTO) in 2006; MTO's website gets over 50 million monthly visitors; MTO is second highest video content publisher on Facebook and second to BuzzFeed; founded wash-and-fold company The Landry Spa catering to celebrity clients before launching MTO; board member of the Urban Justice Center; he and his wife named one of 2014's "Top Media Couples" by The New York Observer; mentioned as a media "rising star" by The New York Times; grew up in Queens Village in New York City; parents from Uganda; lives in New York City with his wife and triplets.



1. What attracted you to your chosen field and profession?

I always knew I wanted to be an entrepreneur. I started my career as a tax attorney on Wall Street after getting my joint J.D. and M.B.A from Columbia University. When I worked as a lawyer, I always knew it was temporary. It was a good place to develop skills and earn a solid salary while working on my business goals.

When I was at the law firm Cleary Gottlieb, my wife and I launched our first company – The Laundry Spa. It was a wash-and-fold laundry service. But we wanted to make it cool. We hired a publicist that connected us with celebrities and were written up in the New York Post. We started getting clients like Beyoncé, Jennifer Lopez, and Mariah Carey. We also handled laundry for The Victoria's Secret Fashion Show. We were becoming increasingly popular. We kept getting offers to sell, and eventually sold it when I had the vision for my next big idea.

My experience with The Laundry Spa showed me the power of celebrity in being able to grow a brand and build a product. Celebrities can bring brand value and can help you grow quickly. When I started MediaTakeOut (MTO), I understood the value of entertainers. When I decided to start a blog, I just knew it would focus on them.

At the time I started MTO, there was a hole in the market. It was 2006. Blogs were just starting, but none of them focused on a black audience – an underserved market that was just being ignored. I saw an opportunity and went for it. Today, the idea of celebrity blogs is a given. There are lots of them. Back in 2006, it wasn't clear celebrity blogs would be more popular. A lot of people thought we were crazy. We were making money within six months, but my mom thought we were broke. She kept trying to buy me food since the concept didn't resonate. But I just knew we were onto something.

2. What person, opportunity, or game-changing moment had the biggest impact on your career?

There really isn't one moment or person that was a game-changer. I've always felt like I've been on this continual struggle – even today – and plenty of people have helped me along the way. I've always been on this climb. I started out at John Jay College of Criminal Justice. When I first applied to Columbia Law School, I didn't get in. So I went to St. John's Law School and eventually transferred to Columbia. Then, I got into the joint degree program with the business school. I just started out grinding and still do it each day. After time, you can see how far you've come.

And there have been many doubters. Many people thought starting MTO was a bad idea – considering it a hobby and not a real business. It was risky when we started it. Some people saw leaving the law as a step down, while I saw an opportunity. But we had profits within six months! I'm just an entrepreneur to my core. I love the idea of creating value – it's about growing and making something from scratch. I wanted to build something that could last.

I'm passionate about MTO. I wake up thinking about celebrity stories to publish and growth opportunities. When I'm not thinking about my wife and kids, this is what's on my mind. I'm having a lot of fun. We laugh a lot, and I have a good team. It's the best job I've ever had and the most work. If I sell it, then what would I do? I'm grinding and hustling daily, and having too much fun to do anything else. After 10 years, I'm growing in new areas.

3. What is the biggest challenge you faced professionally? How did you overcome it?

My biggest challenge is being black and focusing on a predominantly black customer base. I have an amazing pedigree – law and business degrees from Columbia. You'd think it would open more doors. Of course, I've had great opportunities because of my background, but I find that I'm always struggling. I know that race plays a role. If you're in the media and looking for recognition as a black entrepreneur, it's often lacking. I look around and see competitors who also focus on celebrity gossip who aren't like me and don't face this. I'm reminded of this daily.

Since MTO focuses on a mostly black and minority demographic, we also face challenges with advertisers. Revenue from ads is how sites like mine make money. But advertisers discount and cut the value of this audience. My site gets over 50 million visitors each month. MTO is now the second highest video content publisher on all of Facebook – coming in right after BuzzFeed. Yet, ad companies want to pay us less. And it's not like only blacks go to our site. If we have a story about LeBron James, blacks aren't the only ones who want to hear about him.

If you're seen as "black," there's just less money on the table and you can't charge the same premium. We've tried to overcome this by changing our tagline and trying to remove as much stigma as possible. At first, we said we were the "most visited black website on the planet," and have since swapped "black" for "urban." Changing the branding and repositioning the company has helped, but sometimes you just have to accept some realities.

I try to turn struggles into positives. No one thought the "urban" market could be a money maker. They were all wrong. MTO filled a big hole in the market and I took advantage of this stigmatized market to grow a flourishing and highly profitable business. So while the unit ad cost is lower, we are able to make it up in scale. We are the number one site in this space. We had little competition and scaled up quickly. And when I'm trying to convince a celebrity to break a story on my site over a competitor's site like TMZ, I leverage relationships. I've worked hard to build strong industry relationships each day. This has helped us grow, lead the market, and overcome barriers and stigma.

4. What tools or tactics do you rely on in being a more effective leader and team member?

I try to run a respectful team where people feel their views are valued. I have a staff of eight people, and four of them have been with us since the beginning. Turnover is low. At the outset, the best thing an entrepreneur should do is make good hiring decisions. A good hire is the most important thing. My approach to hiring wasn't standard.

When blogs were taking off, many sites hired seasoned journalists who typically wrote two articles per week. They're also used to more hierarchy. At MTO, each employee had to write five articles per day – we were dealing in volume. My background wasn't in media, so I looked to implement a different staffing model. I wanted flexible, interested people who were open to change. My approach is more egalitarian. People have autonomy to present an idea and run with it. We've kept this culture. We hired less traditionally experienced people who could grow with the company. Maybe they weren't the best at the time compared to journalists, but they fit how I wanted to operate.

5. Share a story about an interesting or difficult negotiation and how you were able to gain more influence and leverage as a result.

I learned a big lesson from a failed negotiation. When MTO had been operating for a year and a half, I wanted to merge with two other websites – The YBF and Concrete Loop. One focused on fashion and the other on music. Together, we were the three biggest black blogs. With MTO focused on celebrity gossip, if we came together, we could cover a larger audience and expand our reach. We could have formed a giant super blog and could have been a large media company on the scale of BET.

I reached out to both owners and explained why I thought merging would be a good move for all of us. We could bring our individual value together to create even more value in the urban blogosphere. We all could have made more money together. They both turned me down. This still bothers me to this day. The YBF is still around, but Concrete Loot folded in 2014.

But I learned a very valuable lesson. It taught me that not everyone has my vision. When you're looking to make a deal, you need to find people who understand your bigger vision like you. Now, when I reach out to people and explore partnerships, I look for people who have a similar mindset and can see there's mutually beneficial value that can be shared. To be successful, both sides need to be aligned with their goals. If not, it just won't work.

MTO is now a mature company – we've been around in the start-up world for a decade. Today, I'm branching out into angel investing and exploring different business ventures. I keep this valuable lesson in mind as I explore new entrepreneurial opportunities and relationships. I look for people with good ideas and a similar vision to make strategic investments. We have some very exciting opportunities to unveil in the future.

6. What do you see as your unique value proposition and how has your personal background prepared you to excel?

With each business I've started and each new venture, I get smarter. I've made mistakes, and they've made me better. Media has changed a lot in the past 10 years, but what sets me apart is that I often have vision for what's coming next. I also try to remain flexible so I won't get stuck where I am and can shift when necessary.

A classic example is how sites interacted with readers. We were one of the first blogs in the world to introduce a comment section. At the time, most news sites didn't have them. We allowed people to speak freely on our site. Other companies wanted their news sites to just create content. But I saw that commenting and giving people a space to express their views could work really well.

With social media, we were later than others to Twitter and Instagram. But when we started engaging more on social media, we completely jumped in. We post all of our articles on Facebook, while some sites only post select articles. Also, I'm not afraid to adjust our business model. I don't fight change. Instead, I adjust the model to embrace new trends. I look to see where the world is going, and try to remain flexible so I can change on a dime to take advantage of new opportunities.

7. What is your proudest achievement?

My children and my wife are number one in my life. We have triplets. It has to be this way. When you have great business success, you can be proud and tap yourself on your shoulder to acknowledge what you've accomplished. But at the end of the day, life is really about family, who you love, and who loves you unconditionally.