

Oprah's OWN Downsizing and Restructuring

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Oprah's very OWN empire is beginning to show signs of crumbling. Or, from the opposite point of view, is seeking stability. Either way, it's not the best of times for the company.

The network laid off 30 employees as part of restructuring its operations in both Los Angeles and New York. Those still hanging on will pick up the slack.

"It is difficult to make tough business decisions that affect people's lives," said Oprah Winfrey, OWN's CEO and chief creative officer, "but the economics of a start-up cable network just don't work with the cost structure that was in place. As CEO, I have a responsibility to chart the course for long-term success for the network. To wholly achieve that long-term success, this was a necessary next step.

Here's what Deadline is reporting:

Departing as part of the layoffs is OWN SVP production Julie Stern. Additionally, OWN COO John MacDonald went to management a few months ago to let them know he was not planning to renew his contract. He was asked to stay on to help with the transition, which he agreed to and will stay through May. In light of MacDonald's pending departure, Neal Kirsch, CFO of Discovery's U.S. networks, will be moving to OWN in the role of chief operating officer and chief financial officer, reporting to OWN presidents Erik Logan and Sheri Salata. In addition, following the recent exit of SVP Business and Legal Affairs Alan Saxe, Tina Perry, VP, business and legal affairs, OWN, will now oversee the department and partner with Lee Bartlett, EVP, global

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production management, business and legal affairs, Discovery. Michelle Holt, VP, production, OWN, will now oversee production management, replacing Stern; and Ian Parmiter, SVP, marketing, Discovery Ad Sales, will oversee integrated marketing for OWN. "We have been on the air for 15 months, and since September we have gained momentum in ratings and viewership," Logan said. "Restructuring our business will allow us to build a solid foundation for long-term growth." After a disappointing start, OWN has posted modest ratings gains in the past few months, culminating with the record 3.5 million viewership for Winfrey's interview with Whitney Houston's daughter earlier this month.

The layoffs come on the heels of OWN's decision on Friday to cancel the Rosie O'Donnell talk show, which also will likely lead to departures. (About 30 crew members working on the show were already laid off when it was scaled back to a smaller venue in January, along with 5-6 staffers who left with Page Hurwitz when she departed as executive producer in December.) The cuts also follow the latest high-profile OWN executive exits of EVP of production and development Lisa Erspamer, one of Winfrey's closest and most trusted executives, and Saxe.