This strike was a harrowing experience for all involved (at one point one of the picketers was spotted wearing a shirt that read, "Phil shot the wrong Graham"), but these concessions dramatically improved the *Post*'s profitability and represented a turning point for the entire industry—one of the first times a major metropolitan paper had ever broken a strike. For Graham, the strike was a personal turning point, the business equivalent of Watergate. From this point forward, there was no question who was in charge at The Washington Post Company.

. . .

It was at this time, coached by Buffett, that Graham made another unconventional decision and began aggressively buying her own stock, something very few people (outside of Henry Singleton and Tom Murphy) were even thinking about at the time. Over the next several years, she would repurchase almost 40 percent of the company's shares at rock-bottom prices. Significantly, none of her peers at other major newspaper companies followed her lead.

In 1981, two significant events occurred. First, the *Post*'s longtime rival, the *Washington Star,* after years of declining circulation, finally ceased publication. This left the *Post,* with its lean, poststrike cost structure, as the monopoly daily newspaper in the nation's capital, which led to a dramatic increase in circulation and profitability that continued throughout the decade.

The second development was even more significant. After four previous attempts during the decade of the 1970s, Graham finally found a strong chief operating officer in Dick Simmons. Simmons, who had been the COO at Dun & Bradstreet, another diversified media company, wasted little time in rationalizing the company's operating units, which were running at lower margins than peer companies. His arrival ushered in an era of greatly increased profitability and further underscores the critical role played by strong operating lieutenants in the success of the outsider CEOs.

Simmons, with Graham's support, brought in new executive talent, divested the Trenton paper, changed the compensation structure to emphasize bonus compensation, and insisted on strong performance relative to peers. Within several years, the company's newspaper and television margins had almost doubled, resulting in a surge in profitability.

The 1980s represented a new high-water mark for deal making in the newspaper industry. Prices skyrocketed as both profits and multiples rose precipitously. Alone among major newspaper company executives, Graham stood on the sidelines. The company looked closely at many deals, including large papers in Iowa, Texas, and Kentucky, but it made only two acquisitions, both of them small. It's important to recognize how unusual this restrained behavior was in the hothouse climate of the mid- to late 1980s. It was a lonely path that elicited much commentary from Graham's peers and the press, a particularly difficult position for the only female executive in a high-profile, clubby, male-dominated industry.

Importantly, most of the Post Company's acquisitions under Graham would lead it into new businesses, unrelated to newspapers or broadcasting. In 1983, after extensive research by one of Simmons's new hires, a former management consultant named Alan Spoon, the company made a successful foray into the cellular telephone business, buying franchises in six metropolitan markets, including Detroit, Washington, and Miami, for $29 million. In 1984, she acquired the Stanley