

Newspapers, Make Your Future

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NEWSPAPERS ARE IN A STATE of shock at the moment. Just as they try to come to terms with the digital revolution, they run face-first into declining stock valuations, fleeing talent, declining debt ratings, lots of new competition, falling readership, increasing self-doubt--and, most recently, shareholder revolts. Given these circumstances, it's hard for most to be very optimistic about the future of newspapers. As much as I like to be one of the hopeful, I'm very concerned these days as well.

I'm concerned not because I don't think that the newspapers have the foresight to come out on the other side of the digital revolution stronger than they went in. Make no mistake--their assets are extraordinary. No other player in the local media space has their brands, cash positions, market relationships, reputations, talent pools, or levels of loyal audiences and advertisers. However, there are two things that most newspaper companies lack these days, and if they don't get them fast, they are most certainly dead--a vision and a plan for their own future.

This failure is the reason that so many newspaper companies have lost the support of their shareholders, and why they have lost so much of their great talent over the past ten years. And why so many of their formerly loyal advertisers have lost patience with papers.

Newspapers--it's time to make your future! Here are a few of my thoughts on what must be done:

- Acknowledge the digital reality. Accept reality as it is, not as you would like it to be. Don't fight it--work with it. The future of all media is digital. Print may be around for a long time, but it will be just one channel, and a very expensive one at that. Make the core of your business digital, and build lots of new digital channels to both better serve your readers and consumers and to better serve advertisers. This is your future. Build a vision and a plan that is consistent with it.
- Develop a comprehensive, long-term plan for your success; complete with clear long-term objectives (not silly puffery) and clear strategies for accomplishing it. Don't just tell your employees and shareholders that you will operate yourselves out of your current troubles. Most of them are not in your control. Don't just tell folks that you are going to take cash from your mature businesses and redeploy it into digital businesses. You need to invest in the right areas, not just for optics. That no longer cuts it. Folks are smarter than that.
- Play to win. Determine to win the digital future. Don't just focus on surviving a little longer operating the way that you always have. Many in the market--including many of your employees and managers--think that you only want to survive long enough to get your pensions. Give your best talent a reason to stay. Give them a reason to trust their futures and the futures of their families to you. They know that the future is digital. Convince them that you are in the game to win long-term. Convince them that you have a viable plan.
- Show patience and resolve. Once your vision and plan are set, and are being successfully executed, stick with it. Don't depend on your digital investments to become profitable sooner than they should, and don't make profitability a near-term priority over growth. Google wouldn't have happened if they had focused too much too early on profitability. Don't forget, *USA Today*, the newspaper, did not make a profit for more than ten years--yet is an enormously valuable media franchise today. Treat your digital endeavors the same way. Build for profits in 2012 or 2015, not 2007.
- Listen to your advertisers and your audiences and your shareholders. They are in charge. That is who you work for. If you don't like them or don't agree with them, then leave. It is all about them. It is not about you. As is becoming increasingly clear, if they don't like you, if you are not giving them new value every day, they will leave. While that has always been the case, it really matters now. The digital revolution has now given them someplace else to go.

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