

# The Future of Media Groups: Introduction: New Paradigm

*(part 1 of 4)*



# Index

1. New Paradigm
2. Content
3. Brand and Portfolio
4. Revenues



# What's Happening to Newspapers?

## ACKNOWLEDGEMENTS

This series of slides is a summary of a more complete presentation shown in the second half of 2010 to a proactive and profitable client of mine which is moving forward out of its own vision, not out of despair.

The following slides, without the original comments and the ensuing discussions, are little more than a skeleton but I hope they can be used to stimulate debate regarding the times to come for the media business.

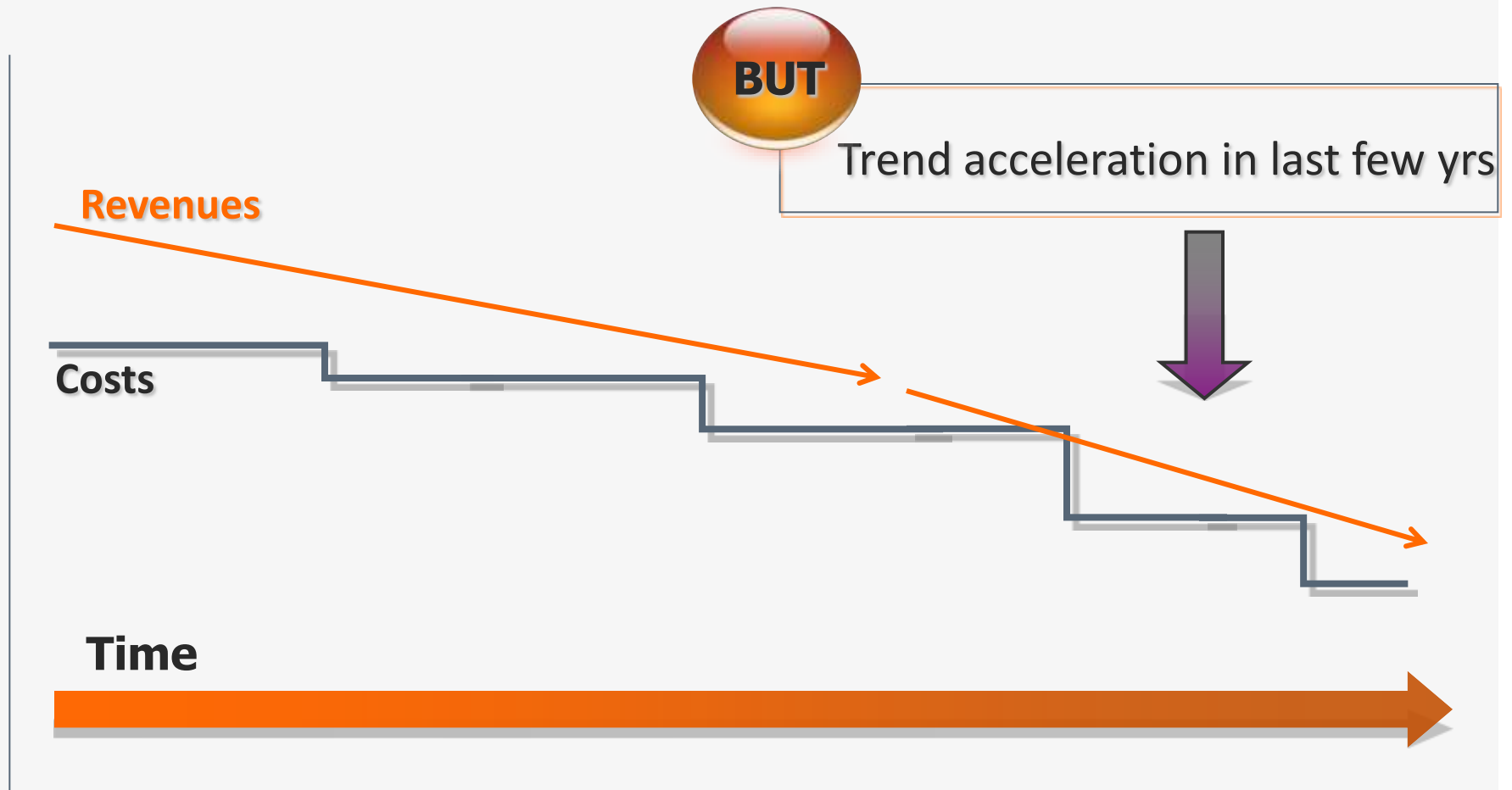
I want to show my deep gratitude for the many lessons taught to me by the many managers I have visited during the last few years, the list of which would be too long to mention.

I also want to thank many other people from whom I have learned through personal conversations or through their presentations: Jeff Jarvis, John Paton, Juan Señor, Juan Antonio Giner, Rob Curley, Randy Covington, Dietmar Schantin, Grzegorz Piechota, Juan Varela, Andy Dickinson, Dan Gillmor...



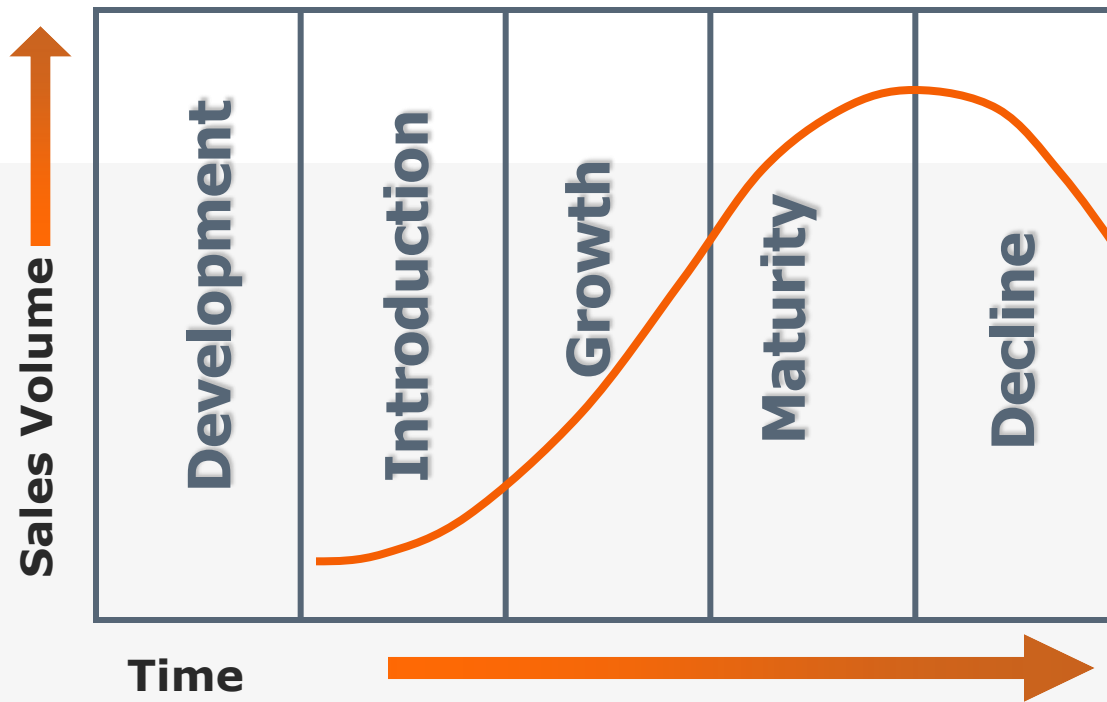
# What's Happening to Newspapers?

For the last 10 years, costs have been catching up with diminishing revenues



# What's Happening to Newspapers?

- ➔ After all, newspapers follow the general **product curve**
- ➔ Newspapers, flourished in the 19<sup>th</sup> Century , boomed in the 20<sup>th</sup> Century and are bound for a deep transformation in the 21<sup>st</sup> Century



To remain significant, the news business will play **significantly different roles**



# These Guys Lost Their Jobs...



**We deliver  
the best  
ice!**

(yes, but  
every day a  
little less)

# Radical Transformation of Business Reality (Not Only Newspapers)



Reducing **costs**...

**Tweaking**  
model...



Learning new  
**tricks**...

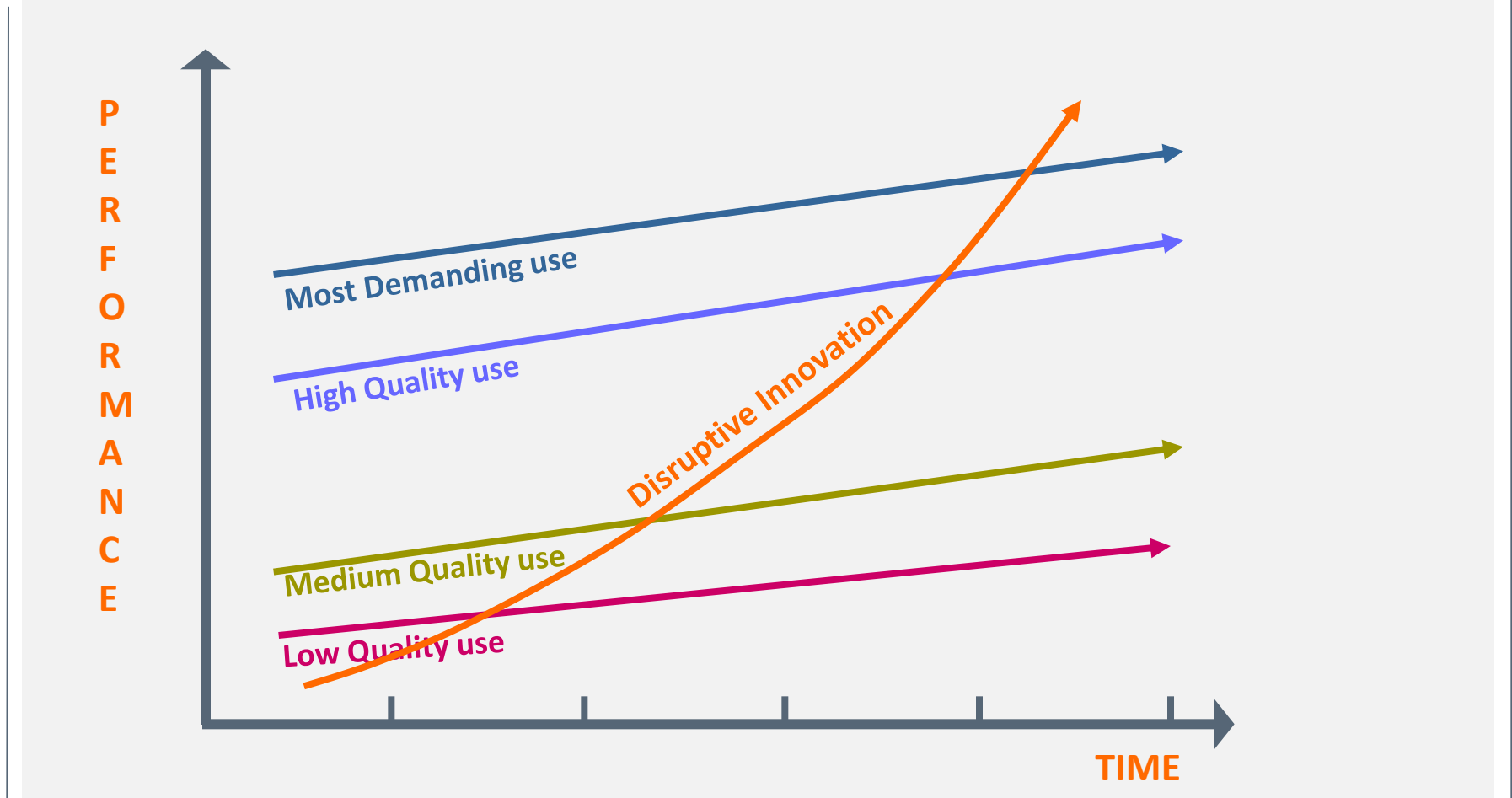
will **not** be enough!

**Let's learn from Disruptive Innovations...**



# Disruptive Innovations

## Disruption Process



# Disruptive Innovations (cont.)

## Example: digital camera

(Also CD v. magnetic tapes; early automobiles v. horse drawn vehicles; ice houses v. refrigerators...)

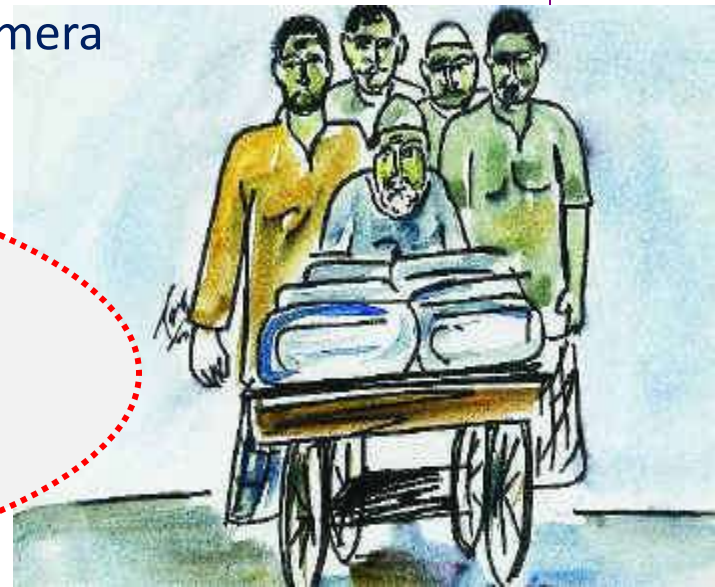
Early digital cameras were **unsophisticated, addressed to the low-end consumer**. Established companies ignored them.

They evolved and incumbents **reacted by designing sophisticated film cameras** addressed to premium buyers.

They kept evolving **and were adopted** by pros. Camera and film makers...were big losers

Improving product, reducing costs, learning new tricks, was not the answer.

Instead, **understanding a completely new ecosystem was the way**



---

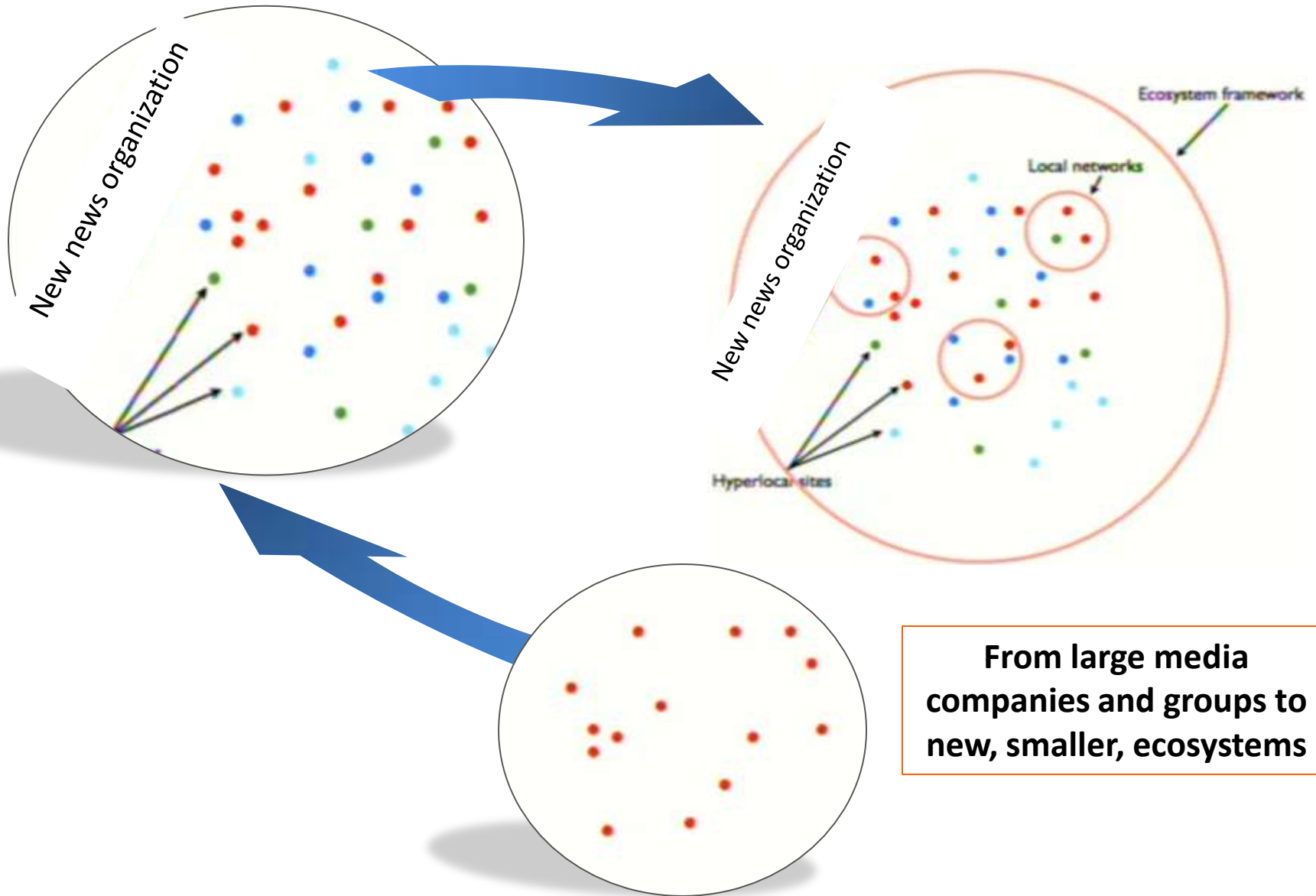
**We must map out  
our own future!**

“The way we think  
about our jobs and  
journalism must  
change!”

*Randy Covington*



# Radical New Paradigm for the News Business



# To Succeed,

1. Accept that **radical change** has happened outside and has to happen inside
2. Be ready to **shrink** (and suffer), to transform
3. Be ready to reboot your mind. Be smart, be **agile**, do **more with less**



*Hollywood was right: any mutation is painful*

The future is smaller, less corporate,  
**more entrepreneurial**

# To succeed, Few Things are Important in this Journey:

A **Vision** (ready to be adjusted)



**Support** (from the top)



A **Team** (working as such)

And a clear understanding that **only 2 things really matter:**

**CONTENT & BRAND**

*(technology, mktg, HR...they are all means)*

