



## **Help create The Next Newsroom:**

A version of this plan and framework is under discussion by participants in “[Journalism that Matters: The DC Sessions](#),” Aug. 7-8, 2007 at George Washington University in Washington, D.C.

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# **JTM - THE NEXT NEWSROOM**

“This is a business plan,  
an organizational framework,  
and a creative commitment  
to launch a new model for gathering local news  
in a community where 21<sup>st</sup> century citizens  
work together with committed journalists  
to strengthen civic life  
with the aid of digital technology.”

Working Draft  
By Chris Peck, Co-Founder  
Journalism That Matters  
July 11, 2007

# JTM - THE NEXT NEWSROOM: An Overview

Mainstream American journalists sense a shipwreck ahead. They feel sickened as they watch traditional readers, viewers and listeners disappear beneath a sea change of media use and media expectations.

Cracks are rippling through the keel of the business model that traditionally has kept newsrooms afloat. Both top line revenue and bottom line profit have fallen at most major newspapers the last three years. As a result, the staffs of many newsrooms have been cut 20% to 40%, with no bottom in sight. The traditional roles assumed by professional journalists in geographically-defined communities also have begun to morph. Citizen journalists and digitally-defined communities rapidly are rewriting the definitions of who is a journalist and what journalists do.

As more people go to Google, Yahoo and blogs for news, as more traditional advertising evaporates, many journalists ask themselves, ``Is this the end of journalism as we know it?''

Here is a paradox. At the very moment when the world is poised to be more interconnected than ever before, at the time in history when citizens hunger for more constructive conversations about issues of the day, at this critical juncture where journalism needs to be reinvented, many venerable news-gathering organizations are frozen in fear.

This paralysis could grow into a civic disaster. Never before have journalists so needed to rediscover their passion even as they make room for citizens who are willing and able to help shape and gather the news. Never before has digital technology opened so many doors of opportunity for easier delivery of information even as the traditional business model for supporting news erodes. The opportunities for building a 21<sup>st</sup> century newsgathering organization seem ripe.

But how? Plenty of promising conversations are underway these days about saving journalism. Conferences to discuss the problems facing newsrooms abound. Foundations, former publishers and academics are generating innovative ideas and experiments every week to better define what will come next for journalism. Yet strangely, few comprehensive, real-life efforts have been mounted to devise and road test what might be called The Next Newsroom.

Harvard Business School professor Clayton Christensen would attribute this failure of traditional news organizations to stay atop of their industry to what he calls the innovators dilemma. In essence, Christensen argues that successful, well-managed legacy media businesses simply are incapable of acting upon changes needed to survive the tsunami of new expectations and new technologies now washing over the news business.

Think about these five Ws for a moment:

- Who has actually pulled together all the promising, innovative guiding principles now being discussed for The Next Newsroom and put them into practice?
- What journalists actually are being hired and trained to succeed in The Next Newsroom?
- When will new revenue models be field-tested to support The Next Newsroom?
- Where *are* the real-time examples of local communities being served by The Next Newsroom, built to serve 21<sup>st</sup> century citizens?
- Why is getting The Next Newsroom launched and running taking so long?

The Next Newsroom wants to answer these questions with a comprehensive plan for action. The Next Newsroom builds upon the solid academic research that clearly outlines the changes now reshaping the media landscape. The Next Newsroom incorporates best practices from leading media reformers. The Next Newsroom embraces both the digital technology and citizen journalism pathways that are so profoundly redefining journalism. The Next newsroom isn't an anguished plea for a return to the good old days. It's past time for all of that. Now is the time for a new direction. Now is the time for The Next Newsroom to be launched.

# JTM - THE NEXT NEWSROOM: 3 Key Challenges

The Next Newsroom addresses the three, key challenges facing journalism today. They include:

The revenue challenge. Journalists know the appetite for local news and community storytelling remains strong. But news gathering is not free. The business model that has long-supported local newsgathering has broken down. The Next Newsroom builds on new revenue streams and a new business model that will support the work of journalists in a local community.

The technology challenge. Today, digital technology has given a printing press to everyone with access to a laptop and broadband Internet. New digital devices, in essence, have made the printing press both expensive and obsolete. The Next Newsroom builds its newsgathering operations around the use of lower cost digital technologies and devices.

The community challenge. The core relationship between journalists and communities has evolved. No longer can journalists operate as detached experts who lecture a community of readers. Citizen journalists now eagerly seek opportunities to be journalists for a day/week/month so they can report and comment on the passions and concerns in their lives. The Next Newsroom will embrace and build on these new community relationships.

These three challenges – the need for a new revenue modes, the shift to digital technology, and the rise of a pro-am journalistic cooperative - make life difficult for existing news-gathering organizations. Legacy media companies are out of alignment with these shifts and are struggling to adapt quickly enough to avoid being sunk by the wave of new ideas and technologies

For this reason, The Next Newsroom will build a news-gathering organization from scratch – with new assumptions, new people, and new technology to build a 21<sup>st</sup> century newsroom in a local community. Very simply, this approach has a higher chance of succeeding than trying to reform existing newsrooms from within.

The research on this point doesn't lie. Northwestern University's Readership Institute has concluded that most existing newsrooms today suffer from defensive, non-collaborative work environments. Such workplaces are difficult to change, don't move quickly, and have a low tolerance for risk-taking and failure.

And Harvard's Clayton Christensen's research could not find one example in American business history where a legacy company whose business model was being disrupted has managed to change quickly enough to survive.

That is not to say that journalism is dead. The Next Newsroom will tell stories. The work of its professional and amateur journalists will be organized as a digital periodical. The news will be local, built around the lives of people who live in a geographically-defined place but who are also connected to the world. The Next Newsroom isn't a Web site, nor just a collection of databases. It is all of this, and more.

The Next Newsroom will build on the strengths of a digital publication, in a real community, telling stories that engage and empower, with new revenue streams to support local newsgathering.

It is an idea whose time has come.

Here are the details.

# JTM - THE NEXT NEWSROOM: 4 Commitments

The first question to be asked of this business plan for The Next Newsroom must be this: What is the unique, relevant value The Next Newsroom offers to citizens in a community?

The Next Newsroom will be defined by four key commitments to readers and community:

**Commitment 1: Work locally in a community to strengthen an informed, engaged public as the best hope for the future of democracy and civic life.** This is our mission statement. This commitment will be at work every day in The Next Newsroom as journalists focus their effort to inform the public, strengthen civic life and grow citizen engagement in a community. Just as every community needs a good police force, a good utility company and good schools, so does a successful community need good journalism. The Next Newsroom will pledge to keep public officials accountable. The Next Newsroom will pledge to pursue reality checks on community projects and public policies. The Next newsroom will pledge to connect the dots between what occurs in the local community and events in the larger world.

**Commitment 2: Nurture healthy professional journalists and citizen journalists to work collaboratively to produce reliable local news that promotes healthy civic life.** This commitment widens the definition of who is a journalist and recognizes the importance of emotionally and intellectually healthy journalists in The Next Newsroom. Cynics need not apply. Talented reporters and storytellers with multimedia skills or aspirations will be recruited and encouraged to join the project. Those working in The Next Newsroom will be committed not just to the ethics and practices that come with high-level traditional journalistic skills, but committed as well to work with citizen journalists to create content that gives people information they need to make good choices in their lives, to engage with their communities, and not simply become frustrated and lost.

**Commitment 3: Create a locally-sustainable business model to fund the journalism.** This is a journalistic enterprise supported by a different business model from today. The journalism is less dependent upon advertising, more dependent on revenue generated from adding value to news content. The Next Newsroom will be profitable, but margins will be modeled more on the expectations of a community trust or public utility. Arms-length businesses also will be linked to The Next Newsroom to both support journalistic pursuits and help fund construction of wireless broadband Internet access in the community that can deliver content on digital platforms.

**Commitment 4: Shape news content through direct conversations and interactions with citizens who retain oversight authority for the newsgathering operation.** The Next Newsroom is committed to growing a community. The community sets the course for The Next Newsroom, maintains management oversight, and monitors performance. Control of content shifts from journalists exclusively to a mix of citizens and journalists who regularly meet, talk, share feedback. Management oversight of this news gathering enterprise rests with a community oversight board, or related community-based management structure. The editor/publisher of The Next Newsroom reports to this board, much as a school superintendent reports to a school board.

These four commitments will shape The Next Newsroom.

The organizational structure, the staffing, and the day-to-day operations of The Next Newsroom are designed to support these commitments.

# JTM - THE NEXT NEWSROOM: 5 Differences

To cultivate and support The Next Newsroom requires different talents and different approaches from what has been the norm in news organizations of the recent past. Here are five ways that The Next Newsroom will be different:

**Different people** – Starting from scratch, The Next Newsroom will build new news ecology around talented journalists who strive to be healthy, passionate and open to a very different model of defining, gathering, and distributing the news. These journalists need a mix of traditional and new skill sets for the job including:

- Strong reporting and storytelling skills that incorporate multimedia audio, video, and digital delivery tools;
- A caring commitment to the community where these journalists both work and live;
- Willingness to build their news reporting in partnership with local social networks and communities of interest;
- Active interest in staying abreast of new technology and genuine interest in listening to ideas from others outside mainstream media;
- Diversity of age, race, politics and class that reflect the community's diversity;

**Different economic expectations** – The economic model for The Next Newsroom is designed to operate in the black, to support the journalism, and to finance universal access to the news. Lower margin, community-based funding is the preferred model. Both new revenue sources and traditional revenue sources for newsrooms will be tapped. Content will be packaged, repackaged, resold to help generate revenue. Digital distribution platforms will be the norm, with any print products farmed out to other publishing houses.

**Different definitions of news and storytelling** – Definitions of news in The Next Newsroom will begin with conversations among citizens and journalists about what needs to be covered. Conversations can begin in any of the local social networks that already exist or that are formed in the community. The Next Newsroom will host online conversations, use instant messaging, and mine community e-mail databases to gather feedback and convene community discussions. These conversations about the news will be fostered at listening posts owned or set up by The Next Newsroom in coffee shops, at kiosks, or using computer stations in libraries, schools, retirement centers, etc. Then, the journalists will help shape these master narratives of the community in a way that empowers not discourages those who live there. And finally, not everyone gets the same mix of news. Those of different ages, different economic status, or different political and social interests receive a tiered and tailored package of information that fits their life stage or preferences.

**Different approach to delivering content** – The Next Newsroom will strive to provide universal digital access to news for everyone in the community. The plan aspires to either build or tap into a community-wide wireless broadband Internet network. News would be distributed to tablet PCs, cell phones, Blackberries, home computers, or via laser printers in the homes of those who want ink-on-paper to read with a cup of coffee. We would have no presses, no big rolls of newsprint. The Next Newsroom will produce a demand-distribution Guide to the News that would be printed and distributed at key locations in the community on a daily or weekly basis. The guide would be a primer for the digital delivery.

**Different relationship to community** – The local community oversees management and direction of The Next Newsroom. The Next Newsroom editors will work more like school district administrator, reporting to a community board even as they organize the news gathering. The news report routinely is critiqued by the community, through a simple feedback loop that is monitored online and published daily. Some journalists can be voted off the island, some can be added to the staff if there are missing elements in coverage that the community needs.

# JTM - THE NEXT NEWSROOM: Finding A Home

In a very real sense, The Next Newsroom will be a partnership between a community that wants to help develop a 21<sup>st</sup> century local news-gathering operation, and the journalists and supporters of the project who are willing to make a commitment to that partnership.

A community that enters into a partnership for The Next Newsroom will need some of the following resources and community assets:

A desire to build a local news-gathering organization. The Next Newsroom needs to be launched in a place that understands the idea, embraces it, and sees value in a local newsgathering operation.

Minimal competition. Very likely, the community where The Next Newsroom locates is being overlooked by existing mainstream media, is being marginally served by other local media, or may not have any local newsgathering organization at all.

A sense of place. The Next Newsroom needs to be anchored in a geographic place that has a clear sense of wanting to be a distinct place, not just an unformed suburb or sub-set of another community. The Next Newsroom can help a community become a distinct, cohesive place.

Local leadership that enthusiastically wants to partner. Local leadership will need to help launch The Next Newsroom. These leaders may emerge from the business sector, education, municipal government, philanthropy or entrepreneurs. They will see this as a joint venture for the good of the community and participate in the formation of The Next Newsroom.

Commitment to a plan to build universal local broadband digital access. This access may be in place, or it may be part of the start-up effort. Wireless digital access for a significant portion of the community will be a goal.

Adequate household education and wealth to understand and embrace the project. This isn't a project only for the wealthy. But to succeed, The Next Newsroom must be a project for a community where adequate resources, including education level, disposable income, and civic engagement can be tapped.

Significant access to higher education resources and institutions. The project needs some well-educated volunteers as community contributors, advisory board members, and researchers.

Local investors. This doesn't mean only rich people. In fact, The Next Newsroom will look for a very broad base of investors and stakeholders. These could include foundations, municipal governments, local venture capitalists, small business cooperatives, civic groups, ``friends of the newsroom," or others.

Sharing The Next Newsroom plan. This plan is now ready to share with journalists, community groups and potential funders. In earlier meetings of the Journalism That Matters group, some specific communities have been identified as potential launch sites for The Next Newsroom. In general, the communities identified could be grouped into three categories:

- College towns that aren't oversaturated with other media.
- Smaller communities with vibrant local economies.
- Urban neighborhoods that are under the radar of metro newspapers and TV.

# JTM-THE NEXT NEWSROOM: New Revenue Model

The Next Newsroom business model focuses on three new revenue streams to support paid professional editors, reporters and photographers as well as pay some citizen journalists. These three new sources of revenue would be available in any community where The Next Newsroom is launched. These revenue streams can be mixed and matched to specifics of a particular community.

**1) Community Stock Option Plan.** Every household in The Next Newsroom's home community automatically becomes part of a Community Stock Option Plan. This CSOP, in essence, creates community shareholders in The Next Newsroom.

Initially, these 'shares' are free and are designed to engage and involve The Next Newsroom's home community in the business enterprise and a community of customers for The Next Newsroom's services. As a CSOP member, every household gains access to annual meetings of The Next Newsroom's annual Town Hall meeting to discuss progress and debate issues related to the operation.

And, all CSOP households will be partners in the Next Newsroom's efforts to establish communitywide broadband access. This access, in turn, will give all CSOP households the opportunity to tap into local broadband Internet service.

Every CSOP household gains some privileges with The Next Newsroom. For example, each CSOP home can post calendar items, photos and other community content on pages that are published in print or online by The Next Newsroom.

Every CSOP household gets a Web page that can be accessed by The Next Newsroom. These are a kind of local MySpace pages, based on geography and family residences within the boundaries of The Next Newsroom distribution area.

CSOP household Web pages will be encouraged to include local photos, the interests and activities of the household, their vocations, local hopes and dreams. Demographic data and e-mail addresses for the CSOP households will be shared with The Next Newsroom.

The Next Newsroom will use data gathered from these CSOP Web pages to generate and connect a series of social networks that, in turn, will be asked to help gather news and grow a target audience for advertisers.

CSOP members in these local social networks must agree to receive targeted advertising pitches via e mail and other digital delivery.

Everyone who posts a CSOP Web page gets a free basic listing for garage sales, cars for sale, birth announcements, graduation announcements, engagement announcements, birth announcements, weddings, obits, etc. The Next Newsroom will endeavor to upsell many of the free features and services that come with CSOP membership to generate revenue to support the news.

These up-sells include:

- Enhanced obituaries, birth announcements, wedding and engagement announcements;
- Enhanced online and print classified ads;
- Expanded restaurant, service and business listings;
- More detailed pre school and life-long learning opportunities and listings;

**2) Tiered and tailored content using a Cable TV/HBO pricing model for a range of services.**

Basic news, advertising and other information created by The Next Newsroom in print and online will be free. But just as cable TV and HBO have learned, revenue can grow by offering tiered and tailored special products and packages.

The Next Newsroom will develop added tiers of content for sale to CSOP households. This tiered content will include such things as enhanced local listings for restaurants, extra movie reviews, access to other local databases on jobs, Real Estate, crime statistics, sports statistics, community school achievement scores. These tiers of content will be linked directly to the interests and desires outlined by the local social network interests.

In addition, The Next Newsroom will regularly produce tailored content for specific local social network groups. This includes special publications, in print or via e-books, tied to community events, churches, sports teams, clubs, community history, etc.

The tailored content would also have multimedia presentations such as documentary videos or protected Web sites where additional newsroom content also could be offered for sale.

For a fee, consumers also will be able to tailor their news and information packages to specific topic areas or needs that go beyond basic service. The tailored news packages could mean more sports/less sports, more photos/fewer photos, all obituaries/no obits, etc.

And, CSOP members will be offered the opportunity to lease or buy two higher-tier digital delivery vehicles. These options include:

- Electronic reading tablets. The Next News Newsroom project will contract with Sony, Fujitsu, or others, for leasing tablet/laptop devices that, in turn, will be leased to news consumers as part of a tiered service package. The Next Newsroom already has been working with the University of Missouri, and others, to develop digital reading software that creates a pleasurable reading experience on a tablet.
  
- Address-specific home printers. The Next Newsroom project will work with Hewlett-Packard and others to develop a home-printer model of content delivery for those who want to print out and read content.

**3) Arms-length revenue generation.** The Next Newsroom will be linked to other community businesses and ancillary services that will generate revenue to help support journalism. Just as The Washington Post Company generates revenue from Kaplan, Inc., a national provider of educational services, The Next Newsroom will be supported in part by complimentary business enterprises in the local community.

This arms-length business partner could be a coffee house, or a training program for media literacy in schools, or a community publishing/printing/mailing operation.

The Next Newsroom will buy into a partnership business that can help launch and support the news-gathering operation, or look for a business to start that can help support The Next Newsroom.

These three sources of new revenue will generate about 30% of the cash needed to keep The Next Newsroom operating.

As new technologies help build revenue from local online search engines and tracking click-through to online advertising, these revenue streams likely will grow.



# JTM-THE NEXT NEWSROOM: Traditional Revenue

The Next Newsroom will also tap some more traditional sources of revenue to support the journalism. They are:

**Print advertising and online advertising.** Today's mainstream media and tomorrow's emerging media surely will still have a base of both print and online advertising, including local search and click-through advertising models. These will continue to be a part of the revenue mix. To date, however, print advertising revenues at existing newspapers are declining. Online revenues, while growing, appear to generate, at best, about 10 cents on the dollar compared to revenues generated by print advertising,

**Community foundations and endowments.** Many current experiments in changing the news business are funded, in part, by foundations, endowments, and non-profit agencies. These same sources can be an additional source of revenue for The Next Newsroom, at least in the start-up phase of the project. A Community Foundation in a specific locale may be interested in helping launch The Next Newsroom.

**Local venture capital.** The Next Newsroom is designed to make money and local or regional venture capitalists may be interested in investing in the start-up. The Next Newsroom is conceived as an ongoing, self-sustaining example of a new kind of local news-gathering organization that could be grown and replicated elsewhere.

Lessons learned from this project are designed to help others build similar news-gathering organizations that are profitable. Venture capital may well be interested in these new models. Journalists themselves also likely will be interested in this project.

Software companies like Microsoft that support digital publication through VISTA, and hardware companies like Hewlett-Packard, which has done work with home printers with digital addressing capabilities, could also find this project attractive as a way to market digital publishing tools.

These traditional revenue streams will be important for a time.

Online revenue growth at mainstream media is growing, but in 2007 represents 8% to 15% of all revenues. Even at double-digit growth rates, the online revenues are years away from matching traditional print and commercial broadcast advertising revenues.

However, The Next Newsroom has heavily discounted the contribution that traditional advertising will play in the new business model.

Whereas about 70% of current newspaper revenues today are generated from traditional advertising sources like auto dealers, big department stores, and classifieds, The Next Newsroom model estimates no more than 30% of its revenues will be generated from these traditional sources.

# JTM - THE NEXT NEWSROOM: Lower News Costs

The Next Newsroom will have lower costs for gathering news. Here's how:

**Structure The Next Newsroom around a pro-am model.** The Next Newsroom will be structured around teams of professional journalists and community experts who work together to plan and gather local news and local content. To understand how this relationship can work, consider that The Next Newsroom will be organized around three tiers of reporting:

Tier I - High-end enterprise reporting done mostly by professional journalists.

Tier II - Community beat reporting, which is a mix of some professional journalists and some community experts, quality bloggers, and independent community contributors. These pro-am teams will organize and collaborate around key beats and passions in the community.

Tier III - Citizen-generated content that is hyper-local names, faces, calendar events.

Community contributions in Tier III and Tier II will represent at least 50% of all content published.

Skilled professional journalists will focus on higher-end enterprise reporting and supporting key beats closely tied to local interest areas. Their work will represent 25% of the content.

Databases, listings, and freelance/syndicate purchase will provide about 15% of content.

**Identify local social networks in the community and have them report their passions.** The Next Newsroom's news coverage plan will be organized around the interests and needs of identified local social networks in a community. The Next Newsroom will map these social networks, identify key participants in these networks, and ask champions from within these to help devise news coverage and gather news from the networks.

**Train leaders of local social networks to be better journalists and photojournalists.** The Next Newsroom will host training sessions, give seminars in higher-level Web based tools like Microsoft Vista, and offer basic training in Journalism 101.

These Training programs could be organized through a local college or perhaps at a major university. The University of Missouri already has expressed an interest in this project.

Their training would include:

- Understanding social networks;
- Digital advertising, and digital technology;
- Use of electronic tablets;
- How to write for the Web, photograph, video for the Web, verify for the Web.
- How to develop community databases for content purposes and to sell at a premium;

**Hire and train a core of accomplished reporters to lead pro-am reporting teams covering key local beats.** The Next Newsroom's professional reporters will need demonstrated skills in reporting and an eagerness to use multimedia tools and tap into community expertise and community contributions in coverage of key beats. Training in multimedia and understanding social networks will be essential.

**Oldjournalists.com** The Next Newsroom will establish a network of professional journalists who aren't on staff but who can free-lance for special projects. This group, oldjournalists.com, may have taken early retirement, found other jobs outside the business, or who are simply interested in nurturing and support The Next Newsroom model.

**Partner with colleges and high schools, locally and nationally, to develop internships.** The Next Newsroom is a real-life, real-time experience for aspiring journalists who want to prepare themselves for careers in 21<sup>st</sup> century journalism. The project will actively seek partnerships with journalism programs at regional and national universities to build a student reporting corps.

# JTM - THE NEXT NEWSROOM: Organization

The organizational plan and staffing chart for The Next Newsroom reflect the different goals and new approaches on which this news-gathering organization is founded. These new jobs and new reporting structures bear little resemblance to the newsroom structures of today. This is intentional. The Next Newsroom consciously will try to build an open, collaborative organization:

*(Details on The Next Newsroom's organizational structure)*

**Link newsroom management structure to Community Stock Option Plan.** Every household in the local community automatically becomes part of the CSOP and every household can participate in management oversight of The Next Newsroom through regular CSOP town hall meetings and election of the CSOP media board of directors.

**Form a community media board of directors.** These CSOP Board members will come from local social network groups in The Next Newsroom's home community.

The CSOP board advises the newsroom on content, serves as a sounding board for community concerns, and stays in regular, ongoing contact with both the editor and ad director. The Next Newsroom is managed by its editorial director and advertising director, who serve under contract of the CSOP board.

The board strives to reflect the diversity of the community – economically, racially, politically, or using other factors deemed important to the community. A key challenge: help the CSOP board grow the capacity constructively discuss and resolve differences of opinion. Research by groups such as the National Coalition for Dialogue and Deliberation – [www.ncdd.org](http://www.ncdd.org) or *The Change Handbook* could be used as tools to equip the board to hold difficult conversations and generate wise answers when highly charged issues arise.

In partnership with local universities and/or leadership development programs, The Next Newsroom will ensure that its volunteers and staff have the latest skills for governance, communication, decision-making and transparency.

**Tiered and tailored content and ad sales.** The Next Newsroom will produce more than one digital product. The Next Newsroom offers tiered and tailored packages of products, based on existing community networks and interests. Readers can pick from a variety of tiered content and tailored packages. Examples: More sports/less sports news; more community commentary/less community commentary, etc. Staff will produce tiered and tailored reports around the most popular community interests.

**Collaborative partnerships inside The Next Newsroom and with the community.** The Next Newsroom will be organized by task, not title. Collaborations and discussions will be the goal on issues related to content, production challenges, and business development. These discussions will include regular interactions and critique with the public, sources, bloggers and other stakeholders. These transparent conversations will be posted online for viewing and comment by all CSOP members.

**Seek feedback regularly on what worked, what didn't.** The Next Newsroom is inextricably linked to a community of readers. A public feedback loop can be quickly activated and used on a regular basis to gauge interest in stories, effectiveness of advertising, etc. We ask readers to patrol content for accuracy. Rather than complain about bias, we ask readers to find it and alert us to it. The Next Newsroom also monitors other new digital publishing ventures including: Global Voices; Village Soup; Madisoncommons, etc.

**A publication, but no presses.** The Next Newsroom is a digital publication. At first, The Next Newsroom may have an ink-on-paper element, or a printed guide to the digital edition. Any print edition will have some digital sections available online as part of the subscription. This gives The Next Newsroom a pathway to paid online content. Any printing will be farmed out to others, or be based on address-specific desktop printers. The Next Newsroom will aggressively test new forms of delivery. These include Web only, home printers, and electronic tablets. Partnerships with technology companies appear very promising. Research on digital publications like The New York Times Reader and the University of Missouri EMprint edition clearly show a well-designed digital newspaper is far easier to read than a Web site. And, readers of digital publications spend more time with digital editions than they do on Web sites.

*(Details on The Next Newsroom's staffing chart)*

**CSOP editor and publisher.** The leader of The Next Newsroom is the editor/publisher. He or she reports to the Community Stock Option Plan advisory board. This is a journalist who is also a lynchpin to the CSOP stakeholders. He or she will meet with the CSOP directors and with his editors on a regular basis.

**Continuous news editor.** The CNE works on a 24-hour news cycle. The news is edited and published as it comes in, then is updated and improved through a combination of professional journalistic work and community feedback.

**Community data desk editor.** Tapping into existing local community networks built around topics of local interest will be a key to gathering and framing of local news. And the work of this editor will be essential in identifying those special local interest areas where the sales staff can sell tiered and tailored content. A key job function inside The Next Newsroom will be development and management of a community data desk. The community data desk editor maps local social networks, develops and maintains active profiles of local interest groups, monitors CSOP Web pages, and supports local search of news and advertising generated by The Next Newsroom.

**Community content wranglers.** With as much as 50% of the Next Newsroom's content coming from the community, the editors who manage this content will be key players. These community content wranglers will identify experts in specific local content interest areas, organize community reviews, and make sure all levels of community content and photos are coming in as needed.

**Special projects/niche products editor.** The Next Newsroom looks for news-driven special projects that can be sponsored and sold every month. Often, these are created by the oldjournalists.com resources, and edited by the special projects/niche products editor.

# JTM - THE NEXT NEWSROOM: Community Ties

The Next Newsroom must be energetically engaged with the community that it serves. The strength of these community connections, the willingness of the community to stay engaged with The Next Newsroom are keys to the project's success. Here are four reasons why.

First, local news reporting priorities for The Next Newsroom will flow, in large part, from local interests and community networks. The better The Next Newsroom stays engaged, connected and plugged into the constantly shifting matrix of local networks and interests, the more likely The Next Newsroom's content will be focused and relevant.

Second, much of the content gathered by The Next Newsroom will come from community contributors themselves. Finding the right people, with the requisite knowledge and interest in local affairs, will be essential to the success of the project.

Third, The Next Newsroom needs community partners. Every household in the community will be asked to buy tiered and tailored content. So these households are very real partners. But there are other partnerships to be nurtured. These include partnerships with advertisers, investors, local businesses, academic institutions. Relationships with these partners need to be strong, like that of a candid friend, and be able to endure inevitable clashes and differences of opinion.

Fourth, The Next Newsroom must engage the community in an ongoing conversation about the value and need for local news. This is an exercise in media literacy and appreciation.

Here are ways The Next Newsroom will strengthen its community ties:

**Hire community-minded journalists.** The Next Newsroom will hire for talent. And, it will hire those who understand the mission of this enterprise.

**Promote and make real the Community Stock Option Plan.** Again, every household in the community automatically becomes part of the CSOP. In essence, they are shareholders in The Next Newsroom. A key marketing and community-development effort for The Next Newsroom will be to make real the CSOP memberships. The Next Newsroom's leaders will meet regularly with the public to identify the concerns, hopes and dreams that are bubbling up in the community.

**Align with key community-building projects.** The Next Newsroom is part of a community. Projects that build literacy, improve quality of life, or help those who have encountered difficulties, will be supported by The Next Newsroom by reporting, organizing community events, etc.

**Identify and establish workable arms-length business partnerships.** The Next Newsroom will actively seek a revenue-sharing link with one or more community businesses. The Next Newsroom and these businesses will work to establish community contributors to the news. One model: establish a news kiosk in the business that serves as a community answer desk where citizens can post news, ask questions, and the newsroom will try to find the answer.

**Partner to build a robust local wireless broadband system.** The Next Newsroom will partner with the municipality, or a venture capital team, or mobile device provider, to build out a local WiFi network. This will be crucial to the digital delivery of the news. An example of how this might be developed might be OpenAirBoston.

**Seek partners for tablet technology, home printers, or other technology.** The Next Newsroom will look for technology partners interested in getting tools for reading digital periodicals into local households. The goal: build local capacity for easy, pleasurable reading devices that are closer to the newspaper/magazine reading experience rather than a Web site reading experience.

# JTM - THE NEXT NEWSROOM: Start-up Expenses

Here is one model of how expenses for The Next Newsroom might look. The model is built on the following assumptions that could be scaled up or scaled down depending on market size:

## One community profile for a launch of The Next Newsroom:

- College town/college neighborhood;
- 200,000 population in town or neighborhood;
- 45,000 total households;
- 25,000 households with income of \$50,000 or greater
- 65% broadband access;

## First-Year Editorial Staffing Expenses: \$1.7 million

1 editor/publisher: \$115,000

1 continuous news desk editor: \$65,000

1 community interests/passions editor: \$65,000

1 database editor/CSOP Web page manager: \$65,000

1 digital video/photo editor: \$65,000

2 digital videographers@\$45,000 = \$90,000

5 professional journalists@ \$45,000 = \$225,000

5 community content wranglers@\$32,000 = \$160,000

5 digital copy editors/designers@\$45,000 = \$225,000

1 programmer@\$50,000

3 support staff@\$27,000 =\$90,000

Payroll (First Year): \$1,215,000

Plus 25% benefits: \$1,518,750

Freelance/community contributions/oldjournalists.com budget: \$3,000 per week = \$156,000

## First Year Sales Staff Expenses: \$1.4 million

1 advertising director/General manager: \$125,000

1 digital advertising sales manager: \$75,000

2 CSOP up sell managers@\$75,000 = \$150,000

1 special projects/tiered sales manager: \$75,000

2 digital advertising sales reps @\$45,000 = \$90,000

5 community sales reps @\$32,000 = \$160,000

5 digital ad copy editors/designers@\$45,000 = \$225,000

3 support staff@\$27,000 =\$90,000

Payroll (First Year): \$990,000

Plus 25% benefits: \$1,237,500

Other advertising expenses: \$125,000

Next Newsroom total advertising expense (1st year): \$1,362,500

## Programmers:

### Arms Length Revenue Development purchases and expenses: \$900,000

For purchasing or starting local business to share revenue and community building.

### Other production and fixed costs (Rent, printing bills, utilities, etc.). \$500,000

### Marketing: \$500,000

## TOTAL ESTIMATED START-UP COSTS: \$4,937,250

# JTM - THE NEXT NEWSROOM: Revenues

## **Revenue estimate from new CSOP up sell and tiered and tailored content: \$2.4 million**

The Next Newsroom projects 1/3 of the revenue will be generated through up sells to the CSOP households, and tiered and tailored content up sells to these households, including special project sales and sponsorships.

The Next Newsroom project assumes 50% of the households in the core community will actively read and participate in the Community Stock Option model.

This means revenue estimates for these new revenue sources is based on an average of \$9/month in sales from half of the total households (22,500 HH) in the target community.

## **Revenue estimate from traditional print and online sources: \$2.4 million \***

This estimate represents a 50% reduction in revenue generated by traditional advertising at an average newspaper of 25,000 circulation today.

(Based on a conservative estimate that at least 60% of traditional newspaper revenues come from traditional print advertising.)

Traditional revenue sources included in this formula include:

- Formerly print and online classified advertising for automobiles, help wanted and real estate.
- Formerly print and online local retail display advertising;
- Formerly print and online national advertising, including film, travel, co-op;

## **Revenue estimate from arm's length business partnerships: \$1.2 million**

The Next Newsroom estimates 1/3 of its revenue would be generated by the arm's – length business partner or partnerships established in the local community.

These revenues could include sharing operating cash flow from this business, extra advertising or tiered and tailored content sold at the business, income from e-books, literacy training, and other services.

These revenues would come either from the users/participants of the CSOP model, or from non-users of the CSOP.

This revenue estimate here assumes an average of \$9/month x 11,000 household who aren't regular participants in the CSOP households (or 25% of remaining non-user households).

**Note on 501(c) 3 status or other non-traditional business structure:** The Next Newsroom is a business. However, the Community Stock Option framework may well incorporate a part of the business as a non-profit, or even a cooperative. Preliminary discussions with business law experts suggest either approach would be feasible for the CSOP.

**Total revenues using these formulas: \$6 million**

## **JTM - THE NEXT NEWSROOM: Next Steps**

The Next Newsroom project reflects the best thinking of journalists, reformers, and visionaries about where journalism should go in a time when its business model is eroding and its relationship to communities is changing fast.

The Next Newsroom is a mashup that pulls together hours of brainstorming, refining, and new thinking. The importance of this work comes, in part, from the fact that the Journalism That Matters coalition has largely broken free of many of the bonds and limitations that cling to the conventional thinking and traditional business structures of journalism.

Indeed, strength of this business plan comes from the fact that The Next Newsroom project has grown out of a 6-year discussion by a coalition of working journalists, community activists, digital media innovators, and leading academics. These contributors are ready, willing and eager to work with investors and community leaders to launch The Next Newsroom.

The first Journalism That Matters discussion took shape in 2001. Chris Peck, then president of the Associated Press Managing Editors and currently the editor of The Commercial Appeal in Memphis, hosted the first JTM discussion at the APME national conference in Milwaukee. Since then, JTM discussions have been convened at The Fetzer Institute in Michigan, the University of Missouri in St. Louis, at the Media Giraffe Project in Amherst, Massachusetts, in Memphis at the National Conference for Media Reform and in Washington DC during the annual conference of the Association of Education in Journalism and Mass Communication.

Most of those who have participated in JTM discussions found the work breathtakingly fresh. Those who volunteered to attend JTM sessions these last few years didn't come, for the most part, as representatives of particular groups, associations, or causes. They were motivated by a deep, abiding interest in helping journalism survive and prosper in the 21<sup>st</sup> century. The Next Newsroom plan could not have been developed without their creative, passionate involvement. Many thanks go out to those who helped with the Next Newsroom project.

To become a reality, The Next Newsroom now needs new champions: in a local business community; among philanthropic and/or venture capital investors; from journalists eager to leap into a launch of the project.

Many of the talented people who have been working with the Journalism That Matters coalition over the last 6 years are ready to step up and help these new champions.

Attached is a working list of those who have been involved in Journalism That Matters. With their help and guidance, The Next Newsroom is ready to move from study to reality.

The Next Newsroom is ready to be shared with communities that would be interested in becoming the Beta site for a launch.

The Next Newsroom is ready to be reviewed by investors, foundations, other interested parties.

Of course the project can be revised, updated, changed. This is the creative dynamic that has inspired Journalism That Matters from the first.

But to paraphrase Elvis, the time has come for a little less talk and a lot more action.

The Next Newsroom needs to hit the street.



# JTM - THE NEXT NEWSROOM: Contributors

The Next Newsroom business plan has grown out of a series of discussions held around the country since 2001 under the heading of Journalism That Matters.

The range of talent found among Journalism That Matter alumni is extraordinary and illustrates the depth and breadth of thought that has gone into The Next Newsroom.

This remarkable group media leaders, innovators and strategists from diverse corners of the U.S. helped shape all facets of The Next Newsroom project. They span traditional print and broadcast media, academia, new media, technology and citizen media and range from top executives to stand-alone journalists.

Many thanks are owed to those who helped create this business plan. And thanks are anticipated for those who are willing to help make the Next Newsroom a reality in a right and real place.

Here is a comprehensive, if not complete, list of participants and contributors to the discussion of Journalism That Matters – The Next Newsroom:

*Richard M. Anderson, Village Soup, Inc., Camden, ME*  
*Steve Anderson, Center for Information Awareness, Burnaby, Canada*  
*Kay Berenson, publisher, The Recorder, Greenfield, MA*  
*Ken Berents, Goldman, Sachs & Co.*  
*Peter Bhatia, executive editor, The Oregonian, Portland, OR*  
*Heather Brandon, self-employed blogger/ writer, Springfield, MA*  
*Steve Brant, futurist / Huffington Post columnist, Bryn Mawr, PA*  
*Cecily Burt, journalist, Oakland (CA) Tribune*  
*Michael Caputo, Public Insight Journalism, Minnesota Public Radio, St. Paul, MN*  
*Sue Ellen Christian, Western Michigan University*  
*Jaci Clement, Fair Media Council, Bethpage, NY*  
*Lisa Cohen, TV news consultant*  
*Vin Crosbie, Digital Deliverance LLC, Greenwich, CT*  
*Judy Daubenmier, "Project Rewire," University of Michigan, Ann Arbor, MI*  
*Florangela Davila, reporter, Seattle (WA) Times*  
*Bill Densmore, Media Giraffe Project, UMass-Amherst, MA*  
*Margaret Duffy, professor, University of Missouri, Columbia*  
*Jerah Euston, founder & editor, FresnoFamous.com, Fresno, CA*  
*Michael Fancher, editor-at-large, The Seattle (WA) Times*  
*Fabrice Florin, NewsTrust.net, Mill Valley CA*  
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*Steve Fox, senior news editor, WashingtonPost.com, DC*  
*Andrea Frantz, Wilkes University, Wilkes-Barre, PA*  
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*Gary Gilson, Minnesota News Council, Minneapolis, MN*  
*Margo Gordon, University of WA and consultant, Bill & Melinda Gates Foundation*  
*Paul Grabowicz, School of Journalism, UC-Berkeley, CA*  
*Linda Bell Grdina, Fetzer Institute, Kalamazoo, MI*  
*Charlotte Hall, editor, Orlando (FL) Sentinel*  
*Scott Hall, KAXE community radio, Grand Rapids, MN*  
*Peggy Holman, Open Circle Company, Bellevue, WA*  
*Hanson Hosein, documentary filmmaker & TV journalist, HRH media, Seattle, WA*

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Pam Johnson, director, *Reynolds Journalism Institute, University of Missouri*  
Pam McAllister-Johnson, dean, *journalism and broadcast, Western Kentucky University*  
Linda Jue, *Independent Press Association*  
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Stacy Lynch, *Atlanta (GA) Journal Constitution*  
Karen Magnuson, editor, *Rochester (NY) Democrat & Chronicle / APME president*  
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Eric Nelson, *Fetzer Institute*  
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Mickey Olivanti, *Fetzer Institute*  
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*Duane Stoltzfus, Goshen College, Goshen, IN*  
*Sarah Stuteville, Common Language Project*  
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*Esther Thorson, professor, University of Missouri- Columbia*  
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*David A. Zeeck, executive editor, Tacoma (WA) News Tribune / ASNE president*  
*Cindy Zehnder, president, TVW, Washington Public Affairs Network*



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