



ONE + ONE = MORE THAN TWO

- **Bruce Theriault** - CPB Radio
- **Mark Fuerst** – Innovation4Media
- **Susan Rogers** – WXXI, Rochester, NY
- **Erik Langner** – Public Radio Capital

**Super Regional
Nov. 13, 2013**

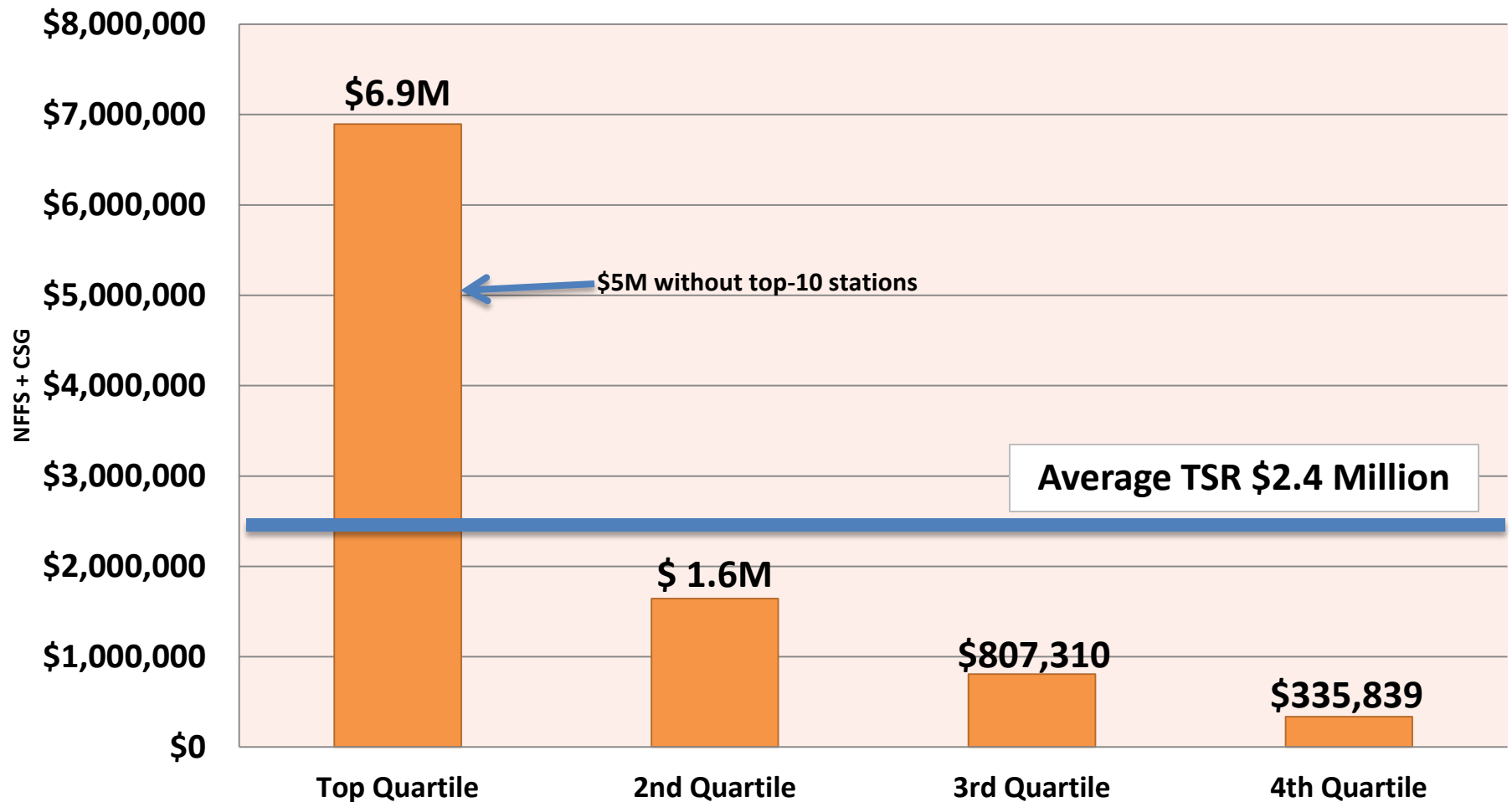


You guys doing OK?



AVERAGE TSR BY QUARTILE

Total Station Revenue (TSR) by Quartile





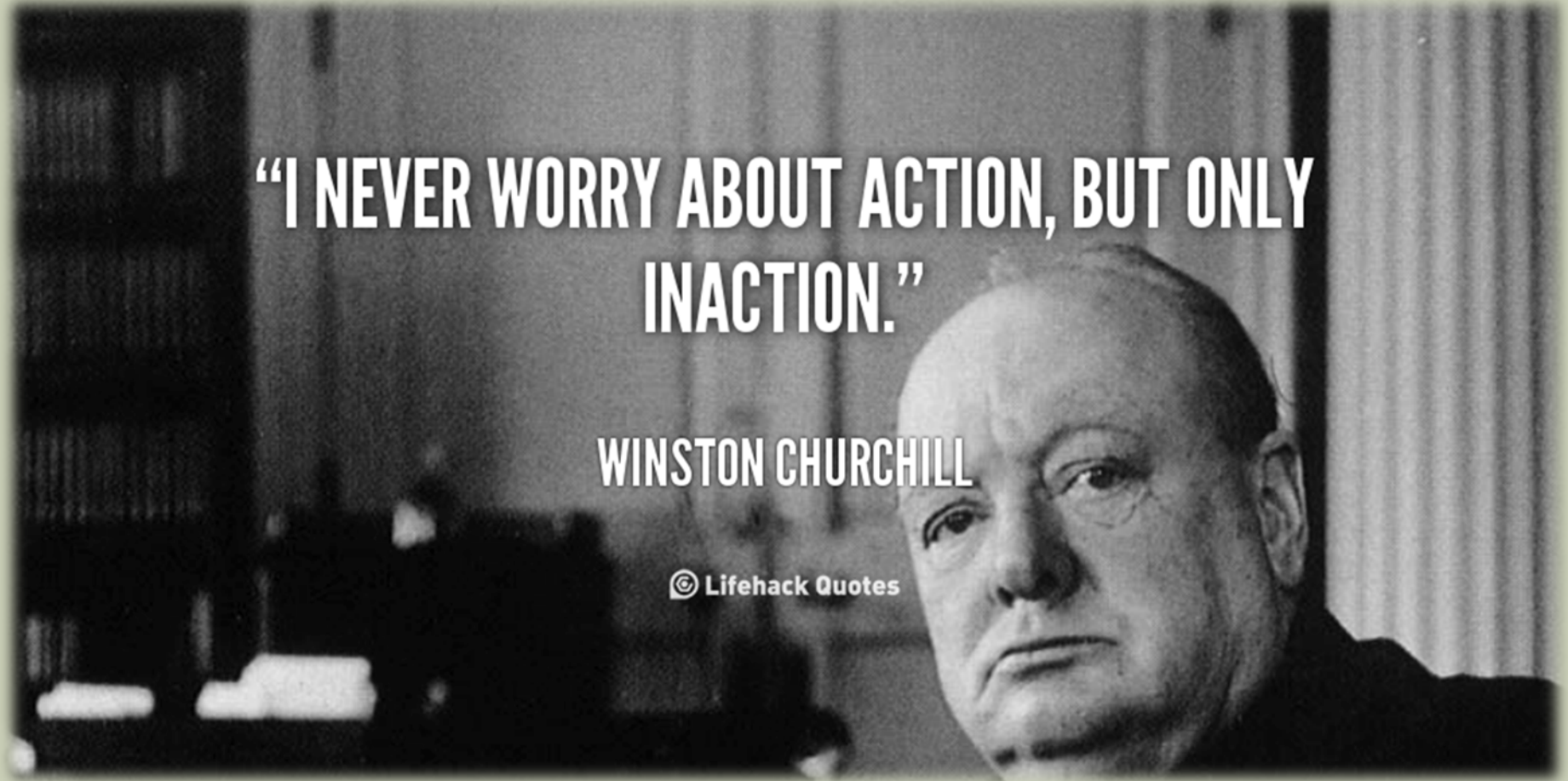
CHANGE AHEAD

CHANGE IN THE FORECAST

**“I NEVER WORRY ABOUT ACTION, BUT ONLY
INACTION.”**

WINSTON CHURCHILL

© Lifehack Quotes



THE COLLABORATIVE EQUATION


$$1 + 1 \Rightarrow 2?$$

ONE + ONE = MORE THAN TWO

- Mark Fuerst – Our economic reality
- Susan Rogers - Stories from the trenches
- Erik Langner – Collaboration blueprint

PARTNERSHIPS AND COLLABORATIONS





Opportunities
straight ahead

COLLABORATIVE OPERATIONS AND SERVICES PROGRAM

- Supports mergers, consolidations, functional integration, centralization or collaboration
- Grants up to \$750,000 but typically < \$300,000
- Rolling deadline
- Details in “Grants” section of CPB.org

STATION COLLABORATION PROGRAM

Goals

- Encourage & support strategic alignment
- Achieve more effective & efficient scale
- Maximize & focus station resources & assets

STATION COLLABORATION PROGRAM

FY14	FY15	FY16	FY17	FY18
\$1,000,000	\$2,000,000	\$3,000,000	\$2,000,000	\$1,000,000
TOTAL = \$9,000,000				

Qualifying Stations receive \$150,000 base grant for up to 3 years

STATION COLLABORATION PROGRAM

- Full operational consolidations
 - Under one executive management structure
 - Mergers/LMAs/Acquisitions



STATION COLLABORATION PROGRAM

- **Administrative collaborations under central management**
 - **Combing at least two operational areas:**
 - HR
 - Financial
 - Engineering/IT

- **Development**
 - **Centrally managed fundraising and systems**

GET MORE INFORMATION

- Application form available at CPB.org
- Details at 11 am Azalea 3

OUR ECONOMIC REALITY

Mark Fuerst
Public Media
Futures Forums

MONEY IS NOT (FOR NOW) OUR MAIN PROBLEM

- Public Radio—as a whole system—has been growing.

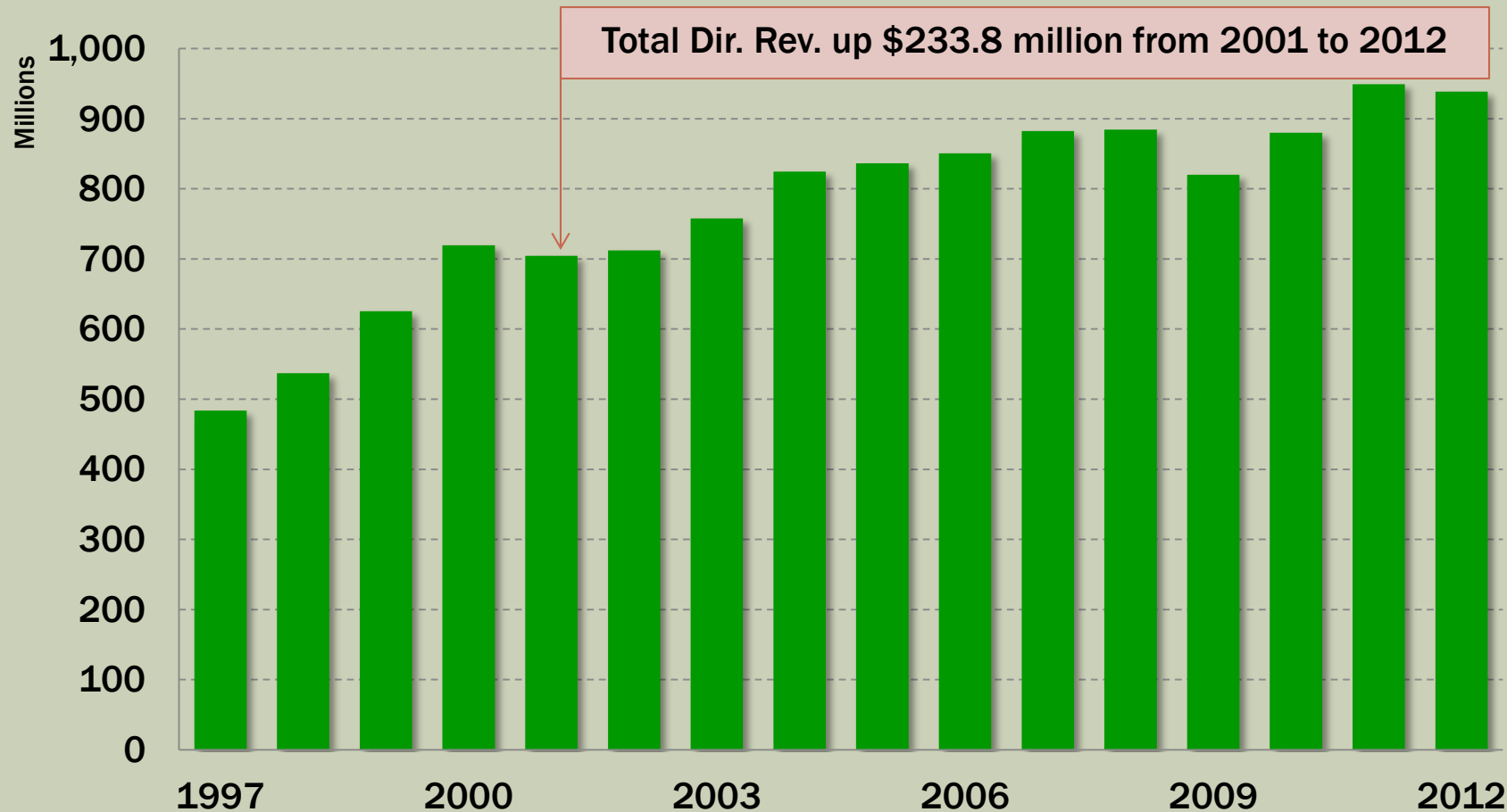


- Growth had been led by Major Market News Stations and Regional, Multi-Channel Networks

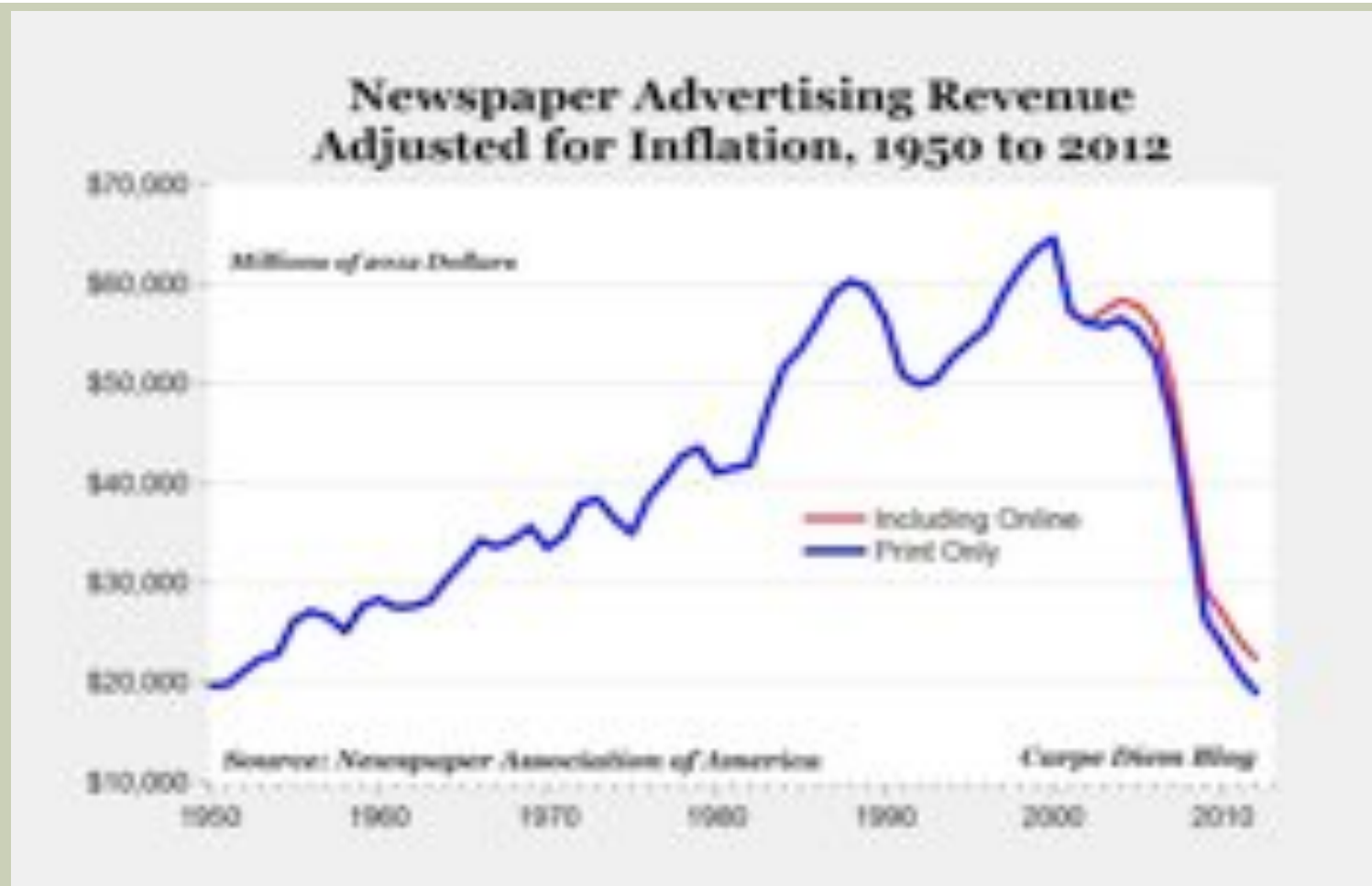
Total Direct Revenues: Public Radio Licensees

(Adjusted to 2012 dollars)

* 294 Licensees with AFRs for every year 2001 through 2012



CONTRAST: A SYSTEM IN DECLINE

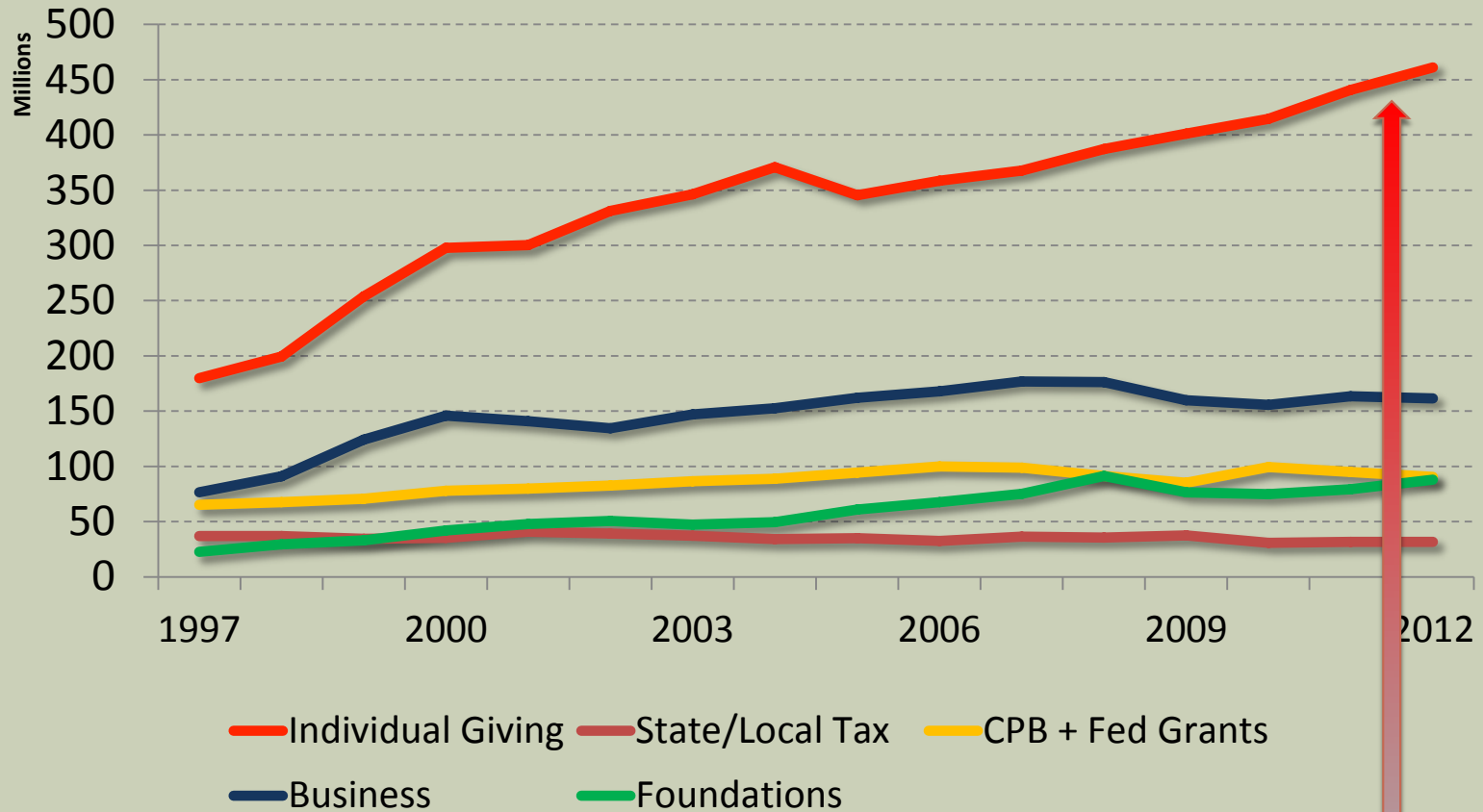


Shared by Bill Davis SCPR

Licensee Revenue - Public Radio*

(Adjusted to 2012 dollars)

* 294 Licensees with AFRs for every year 2001 through 2012



The most powerful driver of system growth is individual giving

Source: Licensee CPB Annual Financial Reports

WE HAVE \$100M OPPORTUNITIES

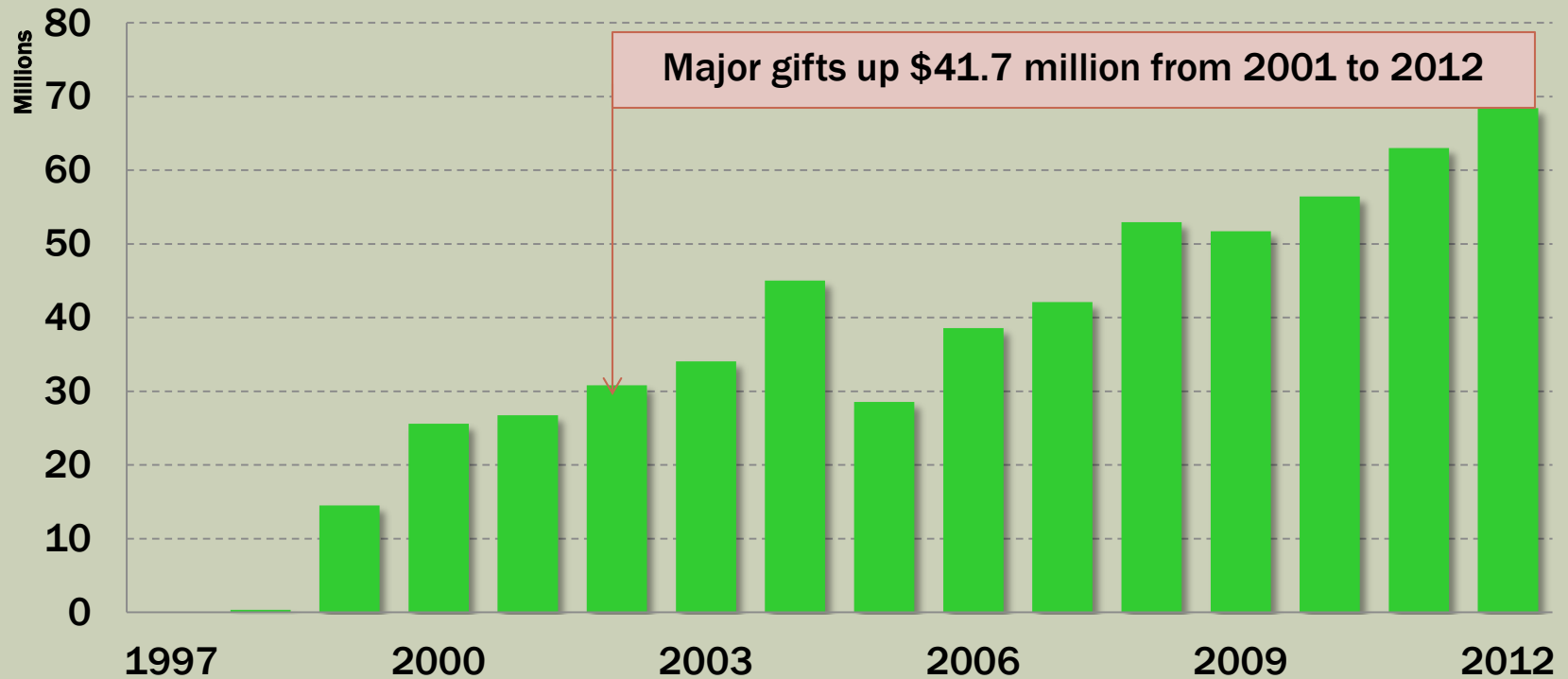


Source: Target Analytics donorCentrics Benchmarking

WE HAVE \$100M OPPORTUNITIES

Major Gift Revenues

294 CPB Qualified Radio Licensees
Adjusted to 2012 dollars



Source: Licensee CPB Annual Financial Reports

A VIRTUOUS CYCLE

Increased Operating Revenue, Additional Local Service
Often Funded by Major Gifts and Foundation Support

Format Clarity

Strong Operating Revenues

GM role evolves to be “more like a
small college President.”

Expansion of Development staffing

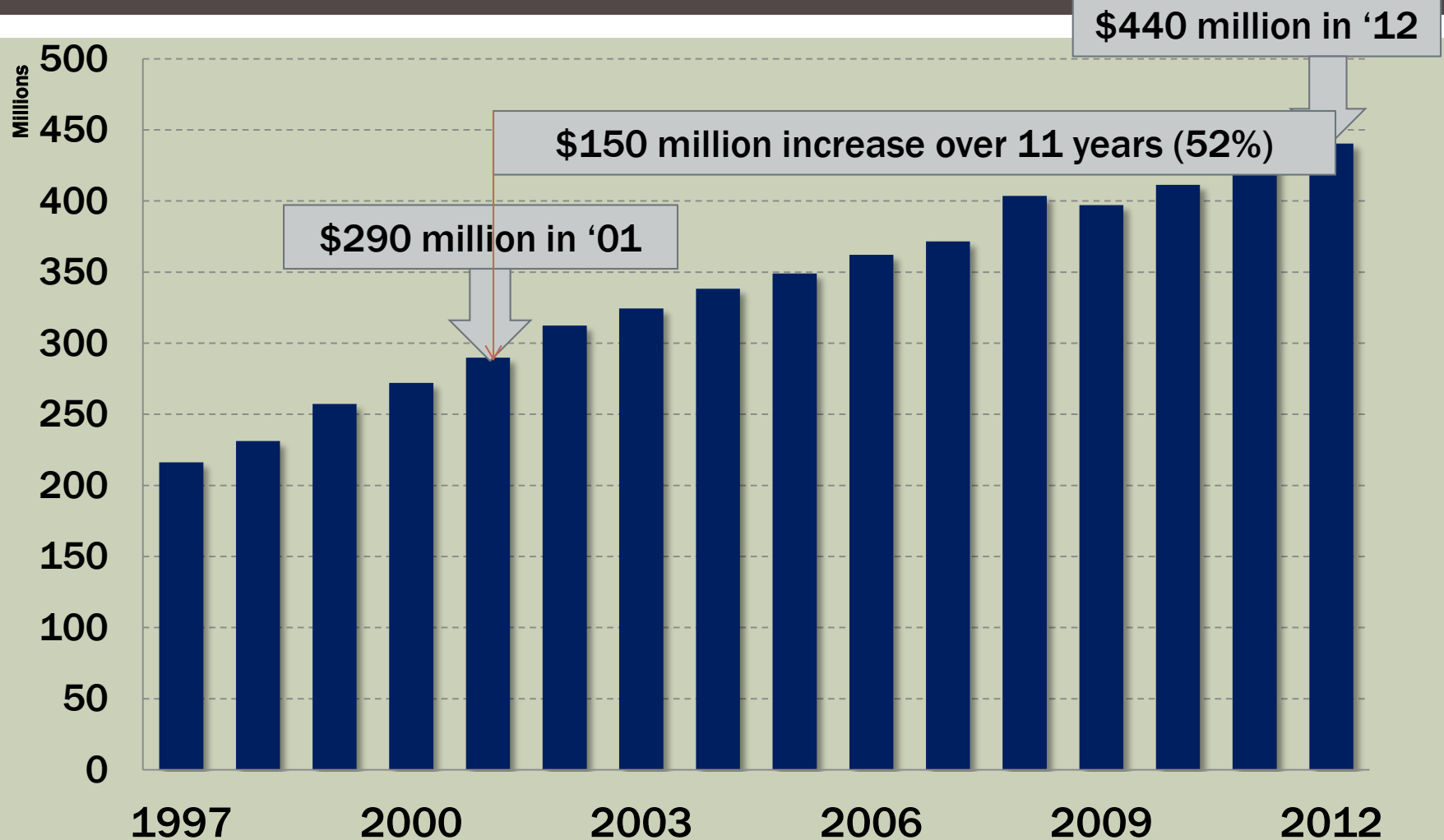
Increase News and
Digital Service Investments

Salary levels now compete
for experienced development,
digital and news executives

Development/Expansion of Major and Planned Giving
Implementation of more sophisticated membership work.

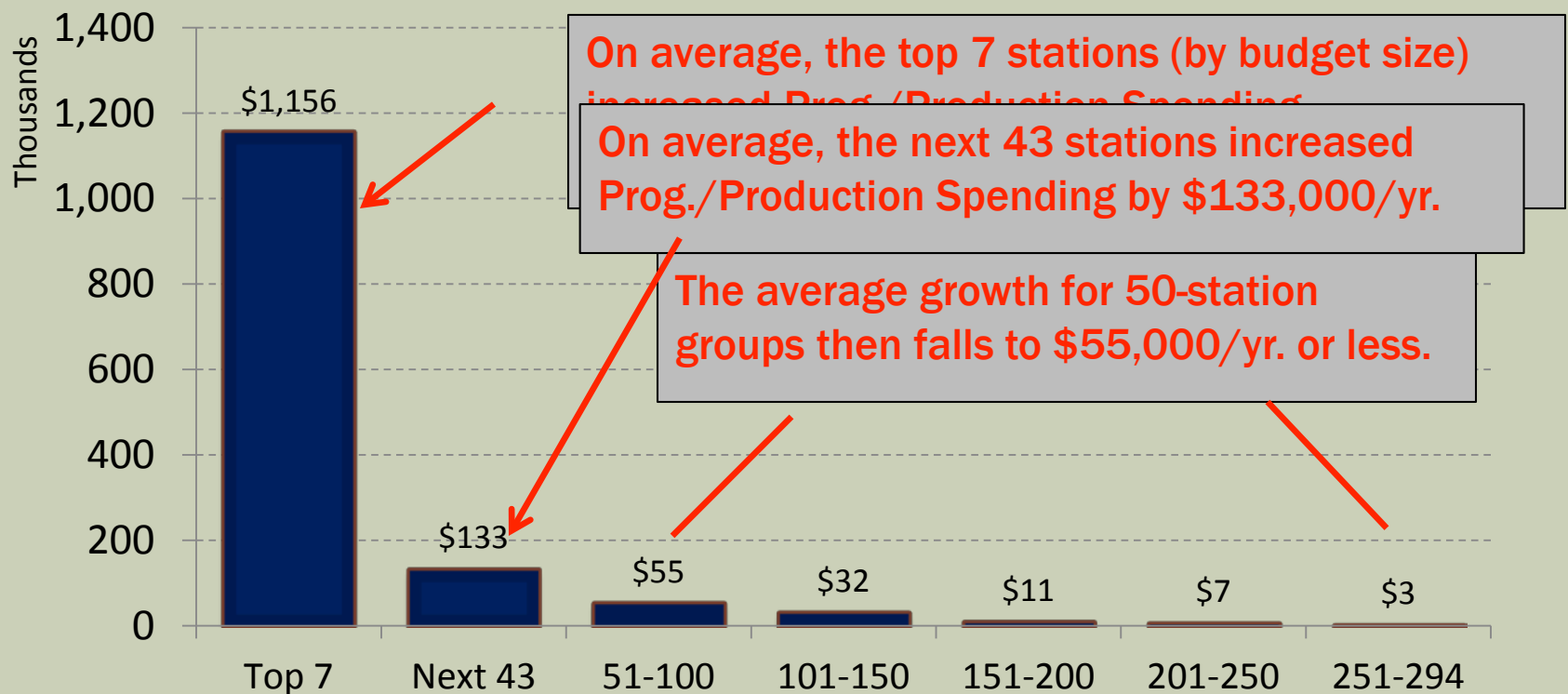
Licensee Program & Production Expenses

294 CPB Qualified Radio Licensees
Adjusted to 2012 dollars

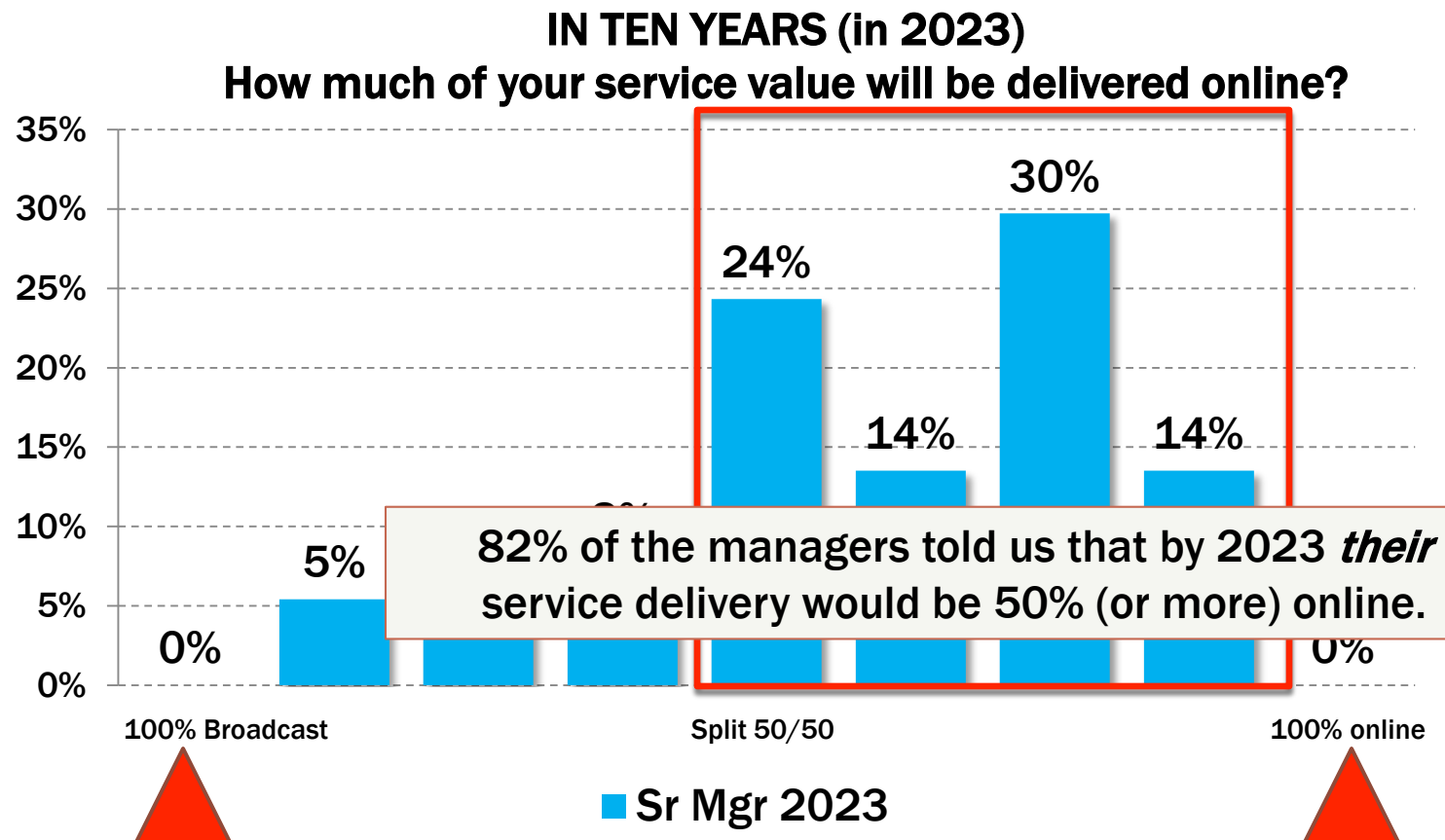


PROBLEM 1: CONCENTRATION OF RESOURCES

Average Annual Increase in Prog./Prod Exp.
2001 – 2012 segmented by 50-station Tiers



PROBLEM 2: EVEN YOU THINK “EVERYTHING IS GOING ONLINE”



OTHER CRITICAL PROBLEMS

- “Being local” is expensive and difficult
 - National programming drives revenue at most stations
 - Local production must meet the “core values” needs of listeners
 - Local service requires more staffing—reporters, producers, editors, web staff, social media support
- Most stations cannot “staff up” for the most promising revenue opportunities: sustainer programs or major gifts
- The level of tax support is likely to remain stable or decline
- Declining AQH poses a significant problem for everyone—stations and networks

CAN WE SEE A WAY FORWARD?

- Move from transactional membership to sustainers
- Overcome legacy conflicts in major gift work: bring stations and networks together for major donor solicitation
- Expand the development capacity of small and mid-sized stations - they need specialization and stability
- Re-imagine the program/production networks
 - We are at the end of the “sole station” era
 - Regional production networks can meet the “core values” needs of listeners
 - Focus on expanding/improving service not *maintenance*

OUR ASPIRATIONS

- **We, collectively, can increase our service capacity**
- **No one wants a national system**
- **We can preserve unique regional services**
- **Effective service will generally combine local and national - both pieces need attention**
- **Many staff and managers can retain their leadership roles in their communities**

**We need an effective process that takes us beyond
“everyone do it yourself.”**

VIEW FROM THE TRENCHES

Susan Rogers
WXXI

WXXI'S HISTORY OF COLLABORATION & CONSOLIDATION

- Involved in a range of collaborations:
 - Capitol News Bureau
 - Administrative functions
 - LMA's
- Television Joint Master Control
- Innovation Trail LJC
- Developing the Upstate New York Journalism Collaborative

CHALLENGES

- It's easier to have quality conversations before there is a crisis – but it rarely happens without an incentive
- Having grant funds to spur conversation and provide “glue” is valuable – but someone needs to do the heavy lifting
- Not all stations share the same overarching goals
- Changes at partner stations can have an impact
- Everyone is busy...too busy



COLLABORATING ON THE INSIDE

- Sometimes collaboration among colleagues within the station can be equally difficult
- Move to full cross-platform work is not without turf battles and culture clash
- Center for News & Public Affairs





COLLABORATIONS ARE PEOPLE

- Change is always hard
- It can be a lot of work to get things started
- Personnel changes can magnify problems...
 - ...and might solve some as well, of course
- Keep the focus on audience, rather than stations







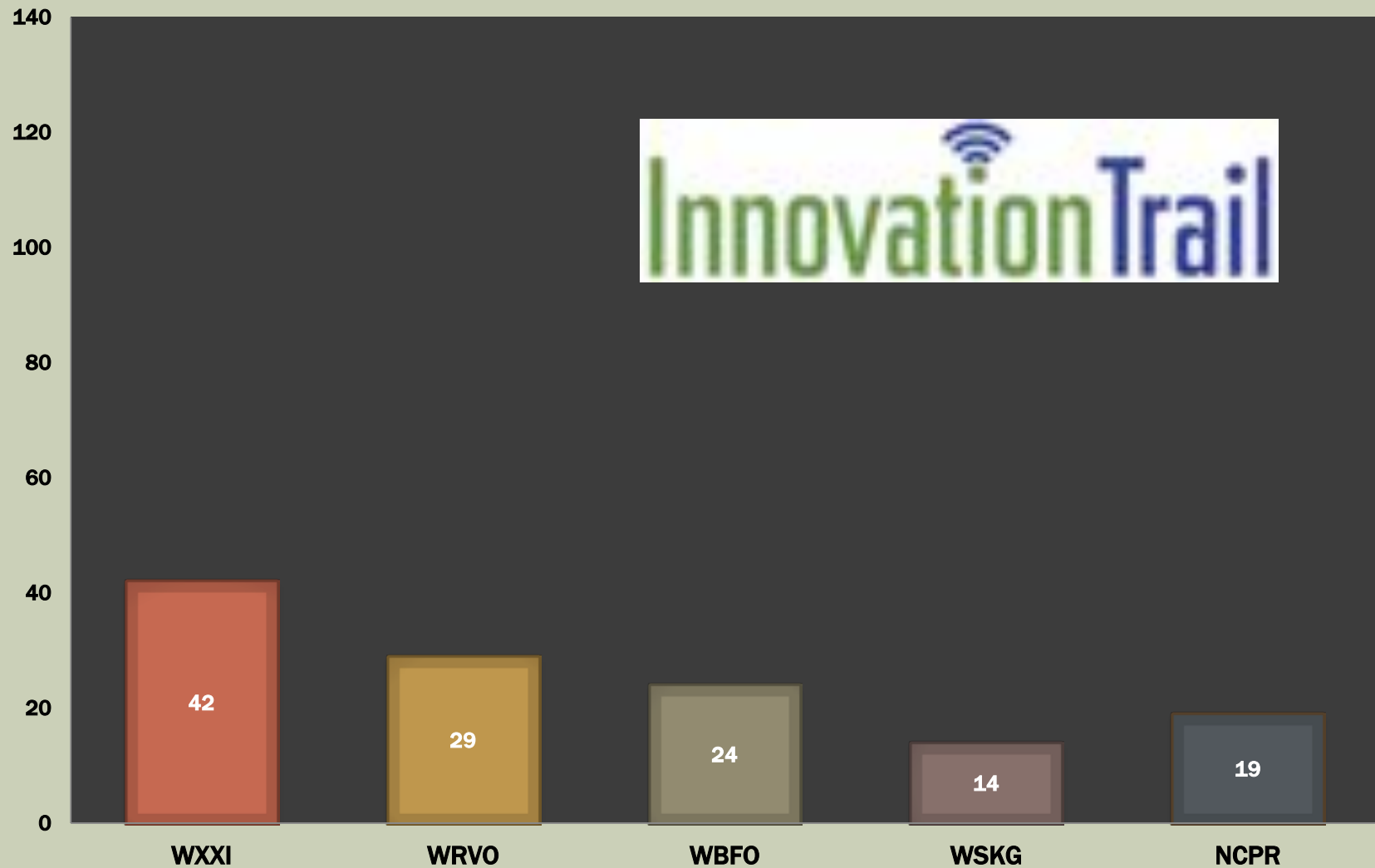


THINGS YOU MUST DO

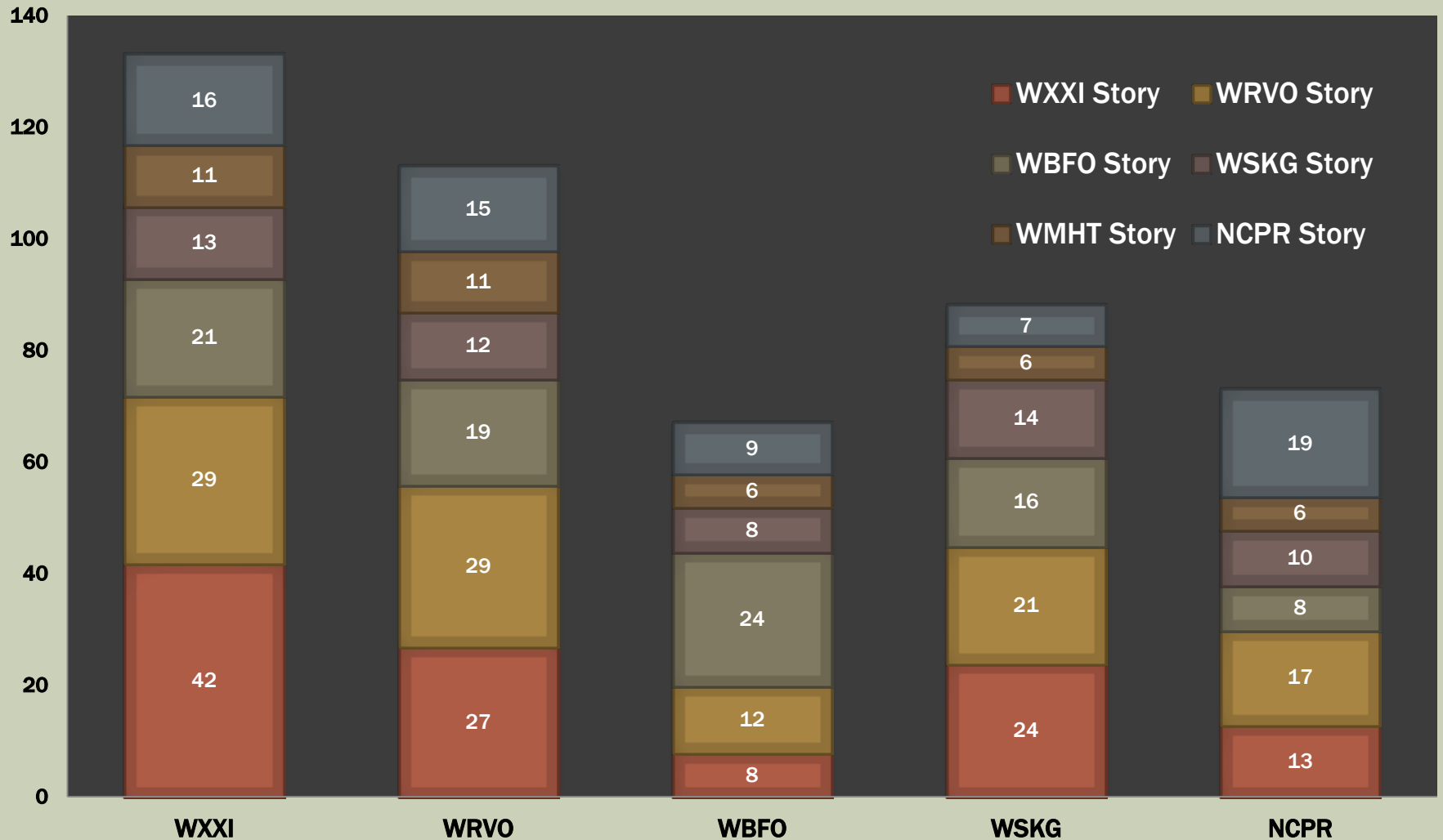
- Educate Boards as well as staff
- Make enough time for communication at multiple levels
 - Note: there isn't enough time
- Allow for and respect individual station needs and differences
 - Don't fight over the small stuff
 - Protect and enhance local service
- Build pride in collaboration
 - Leverage its value so it is seen as a strength rather than a weakness



IS IT WORTH IT?



QUALITY & QUANTITY





WHAT ARE THE NEXT STEPS?

- Provide a more responsive reporting focus
- Enhance reporter collaboration
- Deliver higher quality content to audiences including news data capability
- Achieve business efficiency through improved content sharing technology
- Develop different levels of participation
- Focus development efforts

WE KNOW HOW TO DO IT

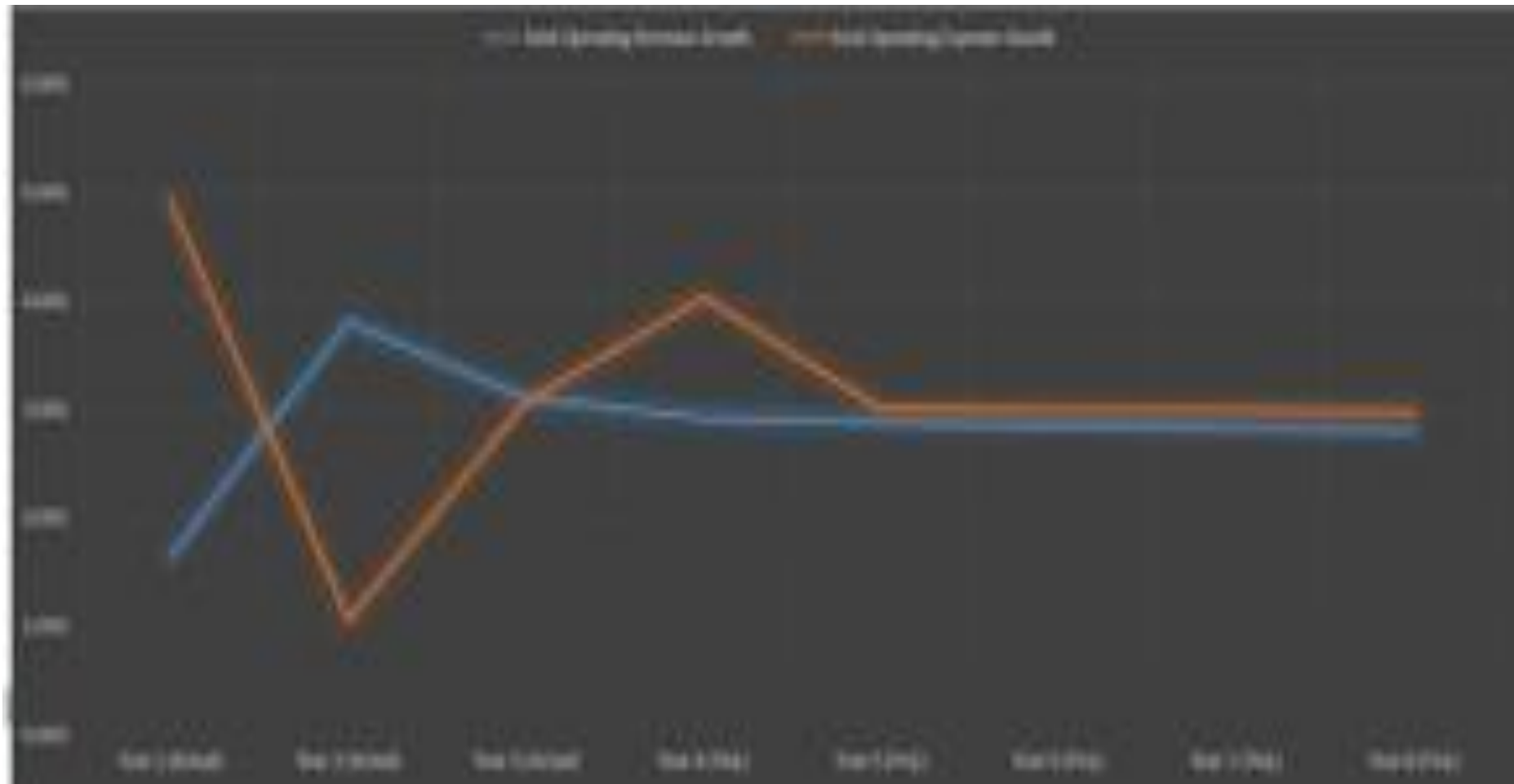
- Crises highlight our ability to mobilize
- Let's not wait for an illness, shooting, flood, storm or fire to test what we can do together



COLLABORATION BLUEPRINT

Erik Langner
Public Radio
Capital

STATUS QUO



COLLABORATIVE BLUEPRINT

- Shared vision for growing scale and capacity
- Create an inclusive process that builds trust
- Recognition that local stations have meaningful and on-going value
- Build individual and collaboration models to establish a baseline context and planning tool
- Create scenarios and case statements around collaborative operations
- Seek approval from boards, universities, and other stakeholders
- Operational implementation to improve efficiency and deliver greater services

KENTUCKY COLLABORATION



