

Presentation By

Howard I. Finberg

Director, Information Technology

The Arizona Republic

4/3/97

THE REPUBLIC'S TECHNOLOGY STRATEGY

Become the information leader

- Effective collection, storage, retrieval and distribution of all types of information
- Not just news and advertising

Meet the information needs of internal and external customers

Advertisers, readers, employees



INFORMATION PILLARS

Two types of information technology support our organization

Business and financial applications

Advertising, finance, circulation support systems

News and information applications

 Editorial and other content, regardless of delivery method



ALWAYS A TECHNOLOGY LEADER

Pioneer pagination project to cut costs

- Provided early experience [circa 1988]
- Foundation for future production technology



MIGRATION FROM MAINFRAME

The Republic's changing information requirements

We needed new methods

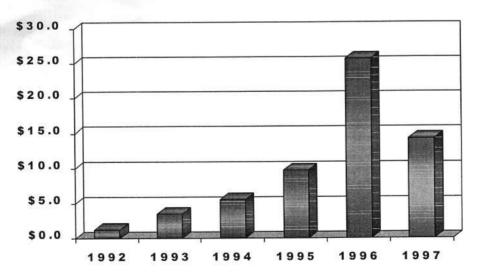
- Reduce costs
- Respond to customers quicker
- Create and distribute new products / services



CAPITAL SPENDING

We have invested for the future

Capital spending for technology



In millionsl for hardware, software and services; 1997 reflects budget and carryover



INFRASTRUCTURE FOR TOMORROW

Migration from mainframe to client/server technology

Information Technology is part of strategic focus

Reorganized IT to be customer-driven

"There are no system projects, only company projects enabled by information technology"



OUR CURRENT INITIATIVES

Advertising Sales
Editorial Production
Circulation Sales
Electronic Delivery
Database Marketing
Employee Support

ADVERTISING SALES SYSTEM

Focus: efficiency and accuracy

- Re-engineer sales process to better serve customers
- Reduce hand-off and provide sales representatives with access to information
- Increased revenue
 - Reduce mistakes and make-good requests by 98%



EDITORIAL PRODUCTION SYSTEM

Focus: improve design/production of print

 Replace aging pagination equipment with database publishing system

Support new products, delivery methods

- Use same staff to do more
- Zoning and specialty publications
- Use same equipment to support print and online



EDITORIAL PRODUCTION SYSTEM

Another advantage: INI will use same system

- Allows for faster, easier conversion
- Reduces risks, costs

CIRCULATION SALES SYSTEM

Focus: customer service, subscriber acquisition and retention

- Customer database to more effectively target prospective subscribers
- Route lists, in delivery sequence order
- Ability to isolate subscriber stop reasons by subscriber type



CIRCULATION SALES SYSTEM

Reduce turnover costs, more effective marketing

- Easier to track carrier problems
- More effective marketing
- Foundation to support Database Marketing initiative

ELECTRONIC DELIVERY TECHNOLOGIES

Focus: delivery of online information

- Two online services
 - http: www.azcentral.com
 - keyword: arizona [on America Online]
- Content deeper than newspaper
 - Targeted information for travel, sports, house seekers, job hunters, small businesses
- Support advertisers with traffic, transactions



ELECTRONIC DELIVERY TECHNOLOGIES

Developing systems for learning and earning

- New skills developed throughout organization
- Understand emerging technologies

DATABASE MARKETING

Focus: link customer information to marketplace needs

Developing system[s] to link databases to support direct mail, circulation and advertising initiatives

 Database Marketing information aligns with Circulation information



EMPLOYEE SUPPORT

Focus: sharing information

 Better knowledge throughout the organization

Ability to organize, direct workforce more effectively

- Provide self-service benefits program via Intranet
- To respond to changing market conditions quickly



TECHNOLOGY INVESTMENTS

Working with others via PAFET

 A.H. Belo, Central, Cowles, Freedom, McClatchy, Pulitzer

TECHNOLOGY INVESTMENTS

CNI has strategic investments in three companies

- InfoSeek
 - Search technology for the Web
- Pointcast
 - Broadcast technology to the PC
- Firefly Network
 - Intelligent agents for consumers

The Republic will leverage investments into strategic relationships



FUTURE PROJECTS

Explore electronic route delivery system for carriers

- Further reduction of costs
- Increased revenue with targeted information delivery, which is tied to Database Marketing

FUTURE PROJECTS

Create new financial reporting system

- True product cost accounting
 Streamline production tracking process
 - Reduce costs, support new products



IN CONCLUSION

We are moving quickly to leverage current technology

- For increased or new revenues streams
- For reduced costs

Building strong technology foundations for the future