10ᵀᴴ ANNUAL INTERACTIVE NEWSPAPERS CONFERENCE

FEBRUARY 17-20, 1999
ATLANTA, GEORGIA

....Publisher Company presents the 10ᵗʰ Annual Interactive Newspaper's Conference. Recorded live, February 17-20, 1998 in Atlanta, Georgia......

..... . Our first speaker will be Howard Finberg. He's Director of Technology and Information Strategies for Central Newspapers. Now, there's complete bio information in your handout; but just a couple of things you might want to know about Howard is that he's responsible for Central Newspapers' overall new media business development. He was responsible for creating the award winning Phoenix newspaper cite. He's Chair of _____, which many of you know is an alliance of newspaper organizations to explore new media opportunities and past chairman of New Media Federation.....

Howard:

Good afternoon. Thank you. I'm probably the Tim Allen of plumbers when it comes to stuff like that. My wife doesn't let me touch the electricity in our house, because she's afraid I'll electrocute myself. But we have done a lot of reengineering at Central Newspapers, somewhat along the lines of new media areas. And I know this about life in the trenches. In some respects, my trench days a little behind me, so I'm going to give you some case studies, in terms of management, as they apply to working in new media.

These are my perspectives, from a corporate level, on some of the lessons that we've learned; and some of the challenges that we have identified at Central Newspapers as very important to our future as a company, and our future as an industry.

First off, a little background about Central Newspapers, a publically traded company. We like to

refer to ourselves as an integrated information company. And I'll explain why.

Newspapers are at our core. Obviously, that's our love and our roots; that's where the founder created the company, and we have two main properties: The Arizona Republic and the Indianapolis Star and News, as well as several small properties in Indiana and Louisiana. But we also have new medial companies, and I'm going to talk a little bit about them as we go forward. So when we look at new media, we look at it as an Enterprise-wide issue; and some of these situations apply to both print and to these new companies that are evolving, and specifically to the Web operations within our new media, and within our print companies. West Tech is our Career's Fair company information services—it puts on job fairs across the United States, and it also has a virtual job fair web site called BGF.com. It provides services for people looking for high tech careers, regardless of geographic location. Home Fair is a relocation services company. It provides information at Homefair.com for people who are moving—tools and services if you're going to move. There's a moving calculator that can tell you all the steps you need to worry about. There's a salary calculator that allows you to compare your salary, if you're moving from Indianapolis to Phoenix, what the difference is, so that you can make sure that the basic cost of living is factored into any salary increase. And finally, a new company we just purchased late last year, the School Report, the national school reporting service, which is a very deep database of information about secondary schools. We believe all these companies play to the strengths of our core business, as well as extend our business into new markets. So, part of our challenge is to position new media within this and move very quickly. It is our analysis that central .... time is very limited, that we do not have the luxury of saying, "Yes, this is coming." Rather, we think it's here; and that there will only be a few years, in terms of things like classified, before we start to see significant impact to the bottom line.

I made a presentation to our managers at Phoenix a couple of weeks ago, and I sort of titled it "Armagettin" and whether, when we lose all, some share of classifieds in the next three years, what impact will that have on the bottom line. And if you look at the latest research from Forester, they predict, on industry average, a 7% reduction in bottom line figures if Classified

continues going the way it's going. Look around the room: seven percent of us won't be here next year, unless other things happen.

Another couple of interesting statistics is that in less than a dozen years, in 10 years, everybody under 50 will be computer literate. We're all basically computer literate here; and obviously, the generations coming behind us are all computer literate. And even scarier is that by 2010, everybody under the age of 21 will not have no world without the Internet. To us, some grey hairs in the room, along with myself, is that we can remember, we don't necessarily like to remember hot type and cold type and all that, but we do remember them; and we remember when the Internet first took off.

Very quickly, the target that we know we have to capture, that young reader, is going to be moving on. So, this is some sort of backgrounding for you to understand some of our challenges and some of our issues in trying to deal with new media in our company.

Our evolution is fairly typical. And I think you sort of see that as you see the reintegration and maturity of new media efforts in various companies. Our new media efforts were born at what we call Skunk Works. It was the Executive Editor tapping me on the shoulder, rounding up a couple of displaced aliens in the newsroom, people who were off in corners, and said, "Go and do this." He thought there was a great need to get it done, quickly; and his fear is that a lot of people in the middle management role, we seem to pick on middle management, upper management gets it, lower people understand it, but that middle management block, some of them were thinking, and this is true both in Editorial and advertising, and even in the technology area, that this Internet thing was going to go away. I actually had somebody say that to me, who should remain nameless, because he, "This is a fad." And other departments in our company, because we do have ongoing businesses, were focused on other efforts. And we didn't want to distract them. So, I'm a proponent of when you're trying to do something, as a start-up, that you can run it as a Skunk Works. The problem is, now that you've done it, what do you do with it and how do you integrate it?

There are several positioning models that I think you can use as guidelines, and then I'll tell you where we're sort of headed. There's a separate independent department, which is where we are with on-line in both Indianapolis and Arizona. There's a separate independent company, the example that always comes to mind is Boston and Night Ritters New Media Efforts; and then there's a totally integrative model, which I'm not sure where we're at right now, and I'm not proclaiming to be the expert, I just haven't seen a lot of totally integrated models. Which means, when we talk about independent sales staffs and we talk about independent editors and things like that, I think this third model is where we want to be, long term. But I think two things hold us back: cultural issues, the discussion earlier, the previous panel about my sales staff is not compensated as well selling on-line, they'd rather sell print, where they make ten times as much commission, is a major cultural issues. In addition, technology holds us back. We don't have our content in neutral database form. In other words, our content is very much tied to production systems that we're operating right now. So, until we can get that content out of those systems and stop thinking about systems as anything more than transition device from moving information from Point A to Point B to Point C, the consumer, we won't be able to get totally integrated.

We do need something new; because the current models are really not working; and the problem is, this is a new medium. I think too often we think of this as an extension of existing, an extension of core, it's a new division; but this is really where television was in relationship to radio. It had the audio piece, but it also had the video piece. And I know you've probably heard this analogy many times at other conferences, but the first broadcast of news on television was somebody taking information and just reading it. You know, you could cover your eyes and you would hear radio. That's sort of where we are, organizationally and structurally, when it comes to this medium. We need something totally different. It has new economics. I mean, you cannot sell it the same way as you sell it. You cannot charge for it, despite the willingness or eagerness of some to charge a subscription price, I'm not sure that that is going to work. It has new types of content. Whoever thought we'd ben integrating content the way we're doing, or putting up content that is not traditional newspaper kind of contact. And finally, it has some new rules of operating rules that we have not determined over a long course of institutional history.

Remember, we trained our customers to look at our product and to understand. We made them make their reading habits meet our production needs. In other words, size of the paper, when it's delivered, physical form, things like that. But those are our rules pushed down on the customer. Right now the customer is telling us, this is when I want it, this is how I want it; and if you don't deliver it, I'm going someplace else. And they're very capable of doing that.

So, you're looking at the organizational models of the top 100 websites in the country. Our Jupiter studies show that the stand load model, right now, is the most successful. Here's the way the world divides: a spin-off model, 4%; independent business unit, 30%; extension of traditional business unit, very much the newspaper model, 4%; and no centralized management focus—these are now all sites now—and Internet only. Somebody's focused only on Internet. I know that's sort of a mixed message, but the problem is, we're evolving our own businesses; and we need to look beyond, sort of an extension of print model and think of this as a new business in a totally integrated business unit. Whether that's a separate company for you or not, is obviously fraught with all sorts of internal issues. It's certainly an issue that we are wrestling with at the Central Newspapers.

So, we're trying to develop this model called *Integrated Independence*. Talk about nixing your metaphors. Central services to leverage the economics. Doing more together to cut costs. And I heard a little bit about that at the previous panel. We are doing it on the technical side and on the content side. We're buying centrally and allowing the local sites to use or not use as they determine. We're doing joint services where it makes sense, in terms of the local market. Advertising can sell jointing, or they can sell separately, again, where it makes sense at the local level; and ultimately, we believe that the on-line applications are independent operations in terms of the delivery of the product, unique tool over market. In that sense, the CEO of Central...... has made it very clear that nobody knows the local markets better than the local publishers; and by extension, the local new media people should know what will work in those local markets.

The challenge is, that not everything that we deliver is local. So, for those commonality things,

the commodity of news, some of the things that go across geographic interests, that go to demographic interests, in other words, I'm interested in auto racing, that may be a national type of information site as opposed to strictly a local site in Indianapolis. So, we want to take advantage of the whole. And we have a very good reason. We do not have Internet money to spend. We have real dollars, you know, the stuff you put in the bank. We do not have IPO money which runs up, and you get a $100M valuation on a company that is now all of a sudden is now $600M, and so you take some of that out and you give some of that stock to some other asset that you want to buy, and all of a sudden, you really start to buy the company with inflated dollars, with the promise that it will all be okay in the end. For things like staffing and the like, we expect our staffing needs to stay relatively flat. And just to give you an example of the disparity between our two sites, our *Arizona Central* site, which is our biggest site, and our *Munsie,* which is our press site, is one of the smaller, obviously 15:1; but on the other hand, there are some things that we're doing in Arizona that we're going to be able to leverage across all of our properties. So that's what I mean by creative virtual staff, where we provide information services and guidance across all of our properties, and not get hung up on the local economy where it doesn't make sense.

Because we don't have Internet money to spend, we also have to think about changing the dynamics of our internal news operations. And we've been spending a lot of time looking at this as we've been talking about re-engineering and retooling our company over the last five years, with a real acceleration in the last couple. We need to look at how we work together. We want to leverage all the talents across all the staff within all the departments. My belief is that we too long operated as an industry on a semi-line process, where I give you something, you edit it, you give it to somebody else, you've sent it to production; and it's like, everybody has a piece of the bumper that they need to bolt onto the car; and at the end we get a car, but on the other hand, I may have noticed something that you didn't; but I'm not in that department, so I can't talk about it, I'm not allowed to deal with it. We have spent a lot of time, energy, and money to go to team driven process, to tear down those walls. This is across company, and also across the corporation as a whole.

Those assembly line models of organization is a really strong hierarchy. You go and you get permission from somebody to do something. Very little delegation. In other words, you basically know your task and you do it; and you can't give it to anybody else to do, because you're the expert. And little pockets of knowledge throughout the whole organization.

An anecdote of when I went to Arizona, we were launching, this was 12 years ago, pagination. And I started asking questions, because I was made responsibility for pagination efforts, who had all the technical knowledge of pagination, and where was the manual? It was all in so and so's head. Wait a minute! What happens if he gets hit by a bus tomorrow? But he knows it all, and he's teaching us. Wait a minute, that's a priesthood! You know? I got the Holy Book, and I know how to read, and you guys don't. So, that model cannot work. And it really goes down to, sort of, know how management. You know, I know, you don't, so hence I'm management and you're not. That looks like this. Everything sort of feeds up to the top.

Our goal, and it's work in progress, and when you talk about a case study, you want to like to freeze a moment in time and say this is complete and done, we can't do that. This is an evolutionary process. And we're not done with this, and it may change; so results will vary, depending on the time of year.

Process approach. In other words, we want to understand what everybody's role is, make sure everybody understands their role in the process, share that information across the entire organization, delegate more out, in other words, you're responsible, as opposed to everything having to move up through the management chain. And finally, make sure people understand people need to be market driven. That means listening to the customers. Internal customers and external customers. And, I hope to achieve, I hope the organization achieves, highly skilled journalists. In other words, you can do a lot of things, and you're highly skilled at a few; but you can work in a lot of different areas because you understand the entire process. You're not singly focused.

Now, I don't want anybody to think that that means I want to send every reporter out with a tape recorder, a camera, and they have to be all things to all people. That's not the case. But there will be times, going forward, where we may want to equip a reporter, what we call a "first on the scene reporter," with more than just a notepad, as in paper notepad. May want to give them a device that has audio and video and still all built into one and say, "We know you're not a photographer, but you're the first on the scene. You need to capture this, so that we're there. Leverage the feet that are on the street already. And then we will follow up with the specialist."

That model looks something like this, where the management is really directing at the bottom and pushing up information so that people doing the job understand why they're doing it, what the market is saying, and they're driven that way, as opposed to having to drag the organization behind us.

So, some of the major challenges that we're addressing, in terms of the media, is finding and hiring them. I mean, paying and promotion. What do we pay them? How do we move them up the ladder to keep them? How do we train them? Because this is a real important issue, because this technology is moving quickly, as well as the content information needs which are changing, weekly, daily. And still address the needs of journalism. Because one of our key assets, beyond local content, and local relationships, is credibility. It's a brand that many people trust. Not enough, but, by and large, if you want reliable news and information, you trust the newspaper. And how to leverage that, and extend it into people who do not come with the same journalistic background as some of us grizzly old veterans do who have migrated into the media.

We are looking for a lot of people in nontraditional places, and we are willing to take risk. And I'll give you an example to illustrate this point, is that when we start up our Arizona Central site, I interviewed a woman who was a writer for a publication that, and had very little journalism skill and had a little computer skill; but she understood communicating travel information and what you needed, because that was the area she was working in for this company. So we hired her for that particular skill and then allowed her to broaden her skills to where now she's a producer on a

web site and is very successful. We're taking risks, and we adjust, and we move people around. Job descriptions are important, but they shouldn't be so narrow that they don't give you the opportunity to move people around.

One of the things that I've read and seen is that you need an opportunity to move and to learn new skills, and that's a key retention issue for employees. We don't have the money to pay what everybody wants, and certainly not to compete against some of the salaries that are out there. But as an industry, I think we do really lousy. Here's a chart that shows starting salaries for reporters: $25,000 for a 30-50,000 circulation. If you go up to the 500,000+ circulation, starting salaries average about $34,000. Now, I ask you, what kid in college is going to take that job, and let's say they're lucky enough to get onto a 100,000 circulation newspaper, and settle for $27,000 when they can probably go and join some web site company and get $25,000 in cash and some share of the company that will probably turn IPO and make him a millionaire before he's 30. We don't pay people very well, and we don't empower them to share in our successes if we do have any. I think we face a real brain drain in this. Because, I'll show you what the numbers look like outside our industry. A web editor, earning anywhere up to $60,000; a web artist earning $50,000; a 1-2 year developer, someone who has skills for 1-2 years, that's not too long, is earning close to $50,000 as well. Now, I mean, I love journalism, but if I want polish today, is, are newspapers the first place I'd be thinking about, in terms of my career future?

I think one of the issues that we have to address, as an industry, and one of the issues we're addressing at Central Newspapers, is paying people to find them and keep them.

We created this Hot Jobs program, and we've used it in both our technical staff and even in some editorial area, that we adjust the pay scale, we have a pay scale; we have a bonus plan; and we have other incentives for what we identify as Hot Jobs. If you have unique skills and are valued above what we value as the general market rate for your job classification, we have the flexibility and ability to pay over and outside the HR rules to keep you in-company. Now, someone has to say they really want this guy or this woman to stay and make the case; but it has proved to be a

very good way of keeping people. Because this is an economy with new rules. You have to break the rules and find ways to be successful.

We also believe in training as a significant way to keep people at the company, and we've invested heavily on corporate training, both technical and editorial. On average, we're going to spend this year, about $500.00 per employee. That's a lot.

And while I believe technology is all great and we invest a significant amount of money in technology, I think sometimes, pardon the typo here, is that we get focused on the wrong things. Cultural issues are really more important than technology issues, but we spend a lot more money on technology. And so we end up with things like this, the journalist of the future. This is a graphic out of the *New York Times*. They've got the sensor goggles and the pact to read things; and you've got the GPS link satellite and the battery pack and portable, I mean, that's all fine and good; and maybe that will help in Star Trek time. But right now, I don't want to get too hung up on technology, as much as I really love it. The issue is: How do we maintain our core strengths and ability.

So, integrated independence, taking advantage of the whole, we want to change the dynamics of our technology use away from single purpose and to a phrase that I said yesterday, is: Offer once. Publish many. That means, once you put the thing in, we should be able to use it for variety of different sources.

We want also want to leverage our publishing systems where we spend a significant amount of money in investing in both our print systems and our new web publishing system from FutureTense. We have a print database from CCI Europe. We were early into that, the .... of database. We stand committed to that, and we're moving that forward, not only in our, what we call our publishing systems, but also our other systems as well. Primarily because it allows us to communicate a lot more information across all sorts of departments.

You asked me to tell you what corporate does at CNI. I think you just saw what I do. What corporate does at CNI is sort of three fold: We provide the guidance and advice; we coordinate our common technologies and some of our common alliances, and our common investments, and developing it as a whole. This is an evolving process. I have been in my corporate job for exactly 13 months, so I'm redefining the job almost every month, as needs arise and as the publishers of the properties want and needs things, as well as the role of technology within the corporation.

We're also forming a number of steering committees. This goes back to our need to get information out and across a variety of different parts of the organization. Each site manages it's own operations; but what we want the Steering Committee to do is leverage the knowledge and experience from all sites. In other words, let's share the information; let's share with corporate; let's see whether we're all in alignment. And understanding that, I think we're more willing to share information and move forward together, albeit with different goals and different dreams. We are now formally sharing traffic and revenue, which is, I think you'd be surprised at the number of sites who report up but don't report across. I wanted to ask that question of McClatchy, of whether they allow Modesto and Fresno and Sacramento to understand what they're doing, or whether it all just sort of rolls up to corporate. This goes back to sharing that information so that you can have some benchmark and do a better job of guiding your own local operation.

And finally, the corporation, our corporation believes that alliances and investments, all kinds of alliances and investments are very important. Do I have enough time to talk about it briefly?

(Very briefly).

Okay. We are still doing some information sharing with ABBOT, and we obviously are using our own web sites to get content and share back and forth. And I want to mention one in Indiana that I think is very interesting, very unique, is that the Indiana site, the *Star News*, has a great basketball start called "Indianasgame.com." And what they're doing is they're partnering with

other newspapers, not of the Central family, some of the Central family, but others who are not, to share links in content to build sort of this little virtual network on basketball for Indiana fans. I think that's a very effective way of looking at the world. We've also invested in Classified ventures, because again, we believe Classified is a threat; and we look at companies, like little start-up companies like Waveship, which is downstairs, to provide us the tools so that we don't have to invent it ourselves.

And you've heard a lot about what I do, but particularly I provide the early warning system to help people understanding where technology is going, and try to identify some of those threats. And I think that role, whether it's a full time, part time role, has to be assumed by somebody in your organization, and some way to share, and I even publish my own technology—a newsletter for the managers of the company. We want to educate them and get them aware of all the things that we're seeing. We want to look inside our industry; and more importantly, this year, we're going to start to look outside our industry. My belief is, occasionally we look too much internally. We need to look at how broadcasting and cable and the other Internet companies are doing, and what they're doing, attend some of their conferences. As much as I love the A&P Conference, and I will plan to be here next year, I also want to go see what Cable is doing at their show. And provide feedback guidance and the overall pest.

I want to thank you for your attention. I'll be glad to answer any questions. You can contact me directly; and if you want these slides, I have a little web site I'll put it up on in a couple days when I get back home, and the URL is up there on the screen.

Questions and Answers:

Speaker: One thought that sort of occurred to me, Howard, that I actually lost, but, one in particular. You talked about, you said that some of the problems are really kind of in the middle of the organization: People at the top may get it, and people at the lower parts of the organization gets it. But we have a kind of problem in the

middle. And that's what raises the issue. Kind of going beyond that. How do you get by? And do you get more than just compliance? How do you get commitment?

Howard: I think education is really one of the real fundamental issues. You have to make them understand why it's important to them. Because everybody is busy doing something else. And you have to, at some point, you have to go and say, "This is what we're going to do." Ultimately, I believe that an army, while you have a lot of people in the army, needs a direction as to "take that hill." The general says, "Take that hill." The general doesn't say how to take the hill, so, what you have to do, you've got to get a lot of people to understand that they're responsible for taking the hill. They have to figure it out; they have to feel empowered to do that. And rewarded for failure. Not rewarded for success, but rewarded for failure.

Speaker: But how do you reward failure? You don't penalize?

Howard: You don't penalize, first, and you let them go and try something else. And reward is in the, ultimately they'll be successful, and that will be the reward.

END OF HOWARD'S PRESENTATION.

10ᵀᴴ Annual Interactive Newspapers Conference

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(About 2/3 of the way onto Side 2 of Tape PB9901a)

Announcer: Next, we have Howard Finberg, of Central Newspapers. Laptop, ...laptop shuffle real quick. You're probably the only person here who's not warmer than he was at home, so...

Howard:

Technology really works. Let me do one more thing.

Good afternoon. And I promise I will not say the words, or the phrase "X n melt" once. Well maybe once. I just did.

I'm going to sort of do a little, "And now for something completely different" change of pace, which is to talk about how you can use some of this technology, and where Central Newspapers sees its vision of technology. So, I'm going to show you things that I hope you'll say, "Hey, that's cook." But I'm not going to talk about the underlying code, but how we use technology.

So, goals for today's presentation. I mean, we've gone through training. So, we've always got to have a goal for a meeting, is to, we want to discuss our technology strategy and show some of our new and interesting applications across CNI's web properties.

But I thought I should give you a little visual update as to what I see as our technical strategy, or what, well, you can see for yourself. (Obviously a slide presentation being shown).

Sort of to just wake you up, see if you're there. That is where I think we were in the industry several years ago. It was all technology; technology was cool, so that's what we focused on. We think our strategy is a little more simple than that. We want to leverage technology; we don't care where it comes from, what it is. We want to take advantage of our digit assets. Everything that we own now is digital. And we want to move away from the signal purpose strategy is, which has been discussed, to previous presenters, we firmly believe in this. We have a phrase that says, "Author once, publish many." Which is something we developed in our search for a new pagination system five or six years ago, and we settled on a product developed by CCI Europe, which runs on a database. And that has sort of been the backbone of our strategy going forward and is carried into our web operations.

So, leveraging our technology; building on our client's servers, strategy, infrastructure, rewire the building, make sure that everybody can talk to everybody else, put in the physical connections for communication. Too often I have found that a lot of news rooms don't have the physical connection between departments to communicate, other than by voice, in person, let alone by, they have desperate e-mail systems that don't allow shared databases of information. I think that's fundamental to any change that you want to do to leverage technology. And we firmly believe in database publishing as a strategy. And we have our CCI Print System in place and operating for the last 3-4 years, and we are now working with a company called Future Tense to use their web publishing strategy. And the work flow looks something like this. If we start with the editing system, we go out to a publishing system, although right now they're really the same physical system. But we're looking at them as separate engines. Go to a print product, you can go to a fax product. We're going to install Future Tense product, or it's being installed even as we speak, which is going to drive our web offerings out of the same content database. Everything links back to a single content database. And then eventually, whatever product, Pom Pilot, Wireless, whatever, this is our sort of vision to taking advantage of some of the technologies that we see coming down the road.

There's another reason we think it's important to use a single content database, whatever you call it, whatever engine is driving it, that's a human system issue. Is that, unless you have a way to manage training and the issues around people using new systems, it's going to be increasingly difficult to install and use these technologies to their first advantage. So, if you can build them on the same system, and build it on standard platform, you're going to be much more successful.

We want to develop, and we've been having some conversations, they really started last year, around the idea of front end tools. And I don't mean front end in regards to writing stories. I mean before the story is written. And we believe things like metatags need to be put in by the reporter, the assigning editor. A key word can be put in by the copy desk. We think there are ways to do it with easy-to-use drop down menus, things like that, some prepopulated fields. Basically, when you sign on to the system, if you're a Sports reporter and you're assigned a beat, you generally write about that beat. So, if you cover auto racing, we can prepopulate some of the information into metatags, and so we're one step ahead. What we do is we force a validation that's saying "Yes, I am writing this kind of story," or "No, I am not."

This is not rocket science technology. This technology, the key is, thinking about where you want to go and how you want to use it in the future. That raises the question of cultural issues. And some of you who know me know that I speak a lot about cultural issues of technology. I don't program. I don't write code. Pearl is something I give to my wife on her anniversary. But what I do know is that technology has an impact on organizations; and we have to be proactive and manage that impact.

My philosophy about technology is that in and of itself technology does nothing. Technology, once installed, changes everything. Sort of like the organic or ecology theory of technology. You can take a butterfly out of the Rain Forest, but once you do that, you won't get any monsoons over Texas, so to speak. You always get monsoons over Texas.

All right. That's about all I want to talk about in terms of technology; but you'll see some reason why I wanted to introduce this early on. You'll see some of these philosophies in the examples I want to show you about what I want to do at CNI.

We sort of work on two different levels: We want stick applications; obviously we want people to come back and use us a lot. We're very concerned about repeat visits and how long people spend on our web sites, because we think that's going to be a differentiator in the future, at least I do. And that if you can show viewership in the same way that broadcast shows viewership, i.e. I'm getting 15 minute viewership, that's probably going to be as significant as the number of people who have come and hit your pages. You can inflate the page view numbers by delivering a lot of pages, basically by forcing people to drill further and further down to get the information they really want. Eventually, once they get it, do they leave, or do they go someplace else? How pleasant is the user experience? In broadcast they look at demographics. I think we need to start developing new methodologies on how to use technology to track what people are doing. And some of our applications will be very frank, are commercial. We're in the business of making money. Lots of it. Because we're afraid that our other big money maker business, called Classifieds, is going away. No, we do not believe that Classified is going to reduce. We think that, and we operate on the principal, that Classifieds is going away. And so, with that fear in mind, we're looking for alternative revenue streams; and I think it is the duty of everyone in our operation to look and think that way, even if they're technical content driven, marketing sales, whatever. We need to understand that we're trying to build the raft as it's raining.

So I want to show you a couple of sites from our Indiana *Star News* on-line, which is Indiana's game and work avenue. We have a company called West Tech, which does job fairs, and they also have a very interesting interactive web site called Virtual Job Fair. And we'll show you two applications and how they're using technology. I'll give you these URL's as we go along, by the way.

I'll talk about a company we just bought a year ago, called Home Fair, and a company that they just bought about three months ago, called the National School Reporting Service. And finally, with our Arizona Central, *The Arizona Republic*, Phoenix newspaper site, and the three different ways that we're using technology and trying to attract customers.

Starnews.com is a destination site for Indianapolis news information. They have a couple of different, interesting applications. Indiana's game is built on a big niche market, which is basketball. I mean, in Indiana, you live, sleep, breathe basketball. And it's very deep and rich in its content. And I like the way, since I have nothing to do with any of these sites on an operational basis, I get to look at them from my perspective of what I like and why I like them. I like the idea of how they've aggregated all of basketball and look at this as a niche totally. I like the idea that they've got lots of content and organized nicely, and they have the usual inner activity with things like "Ask the Expert." But most of all I like this, which is the Local Alliance. Where, using simple web technology, they have allowed the *News Senteniel* in Ft. Wayne, to become a virtual partner. So that when you click on Basketball on the Sports page of, or Indiana's game on the Sports page of the *News Senteniel*, you go right back to a co-brand inside of Indiana's game. But that's not hard technology. But I think that's pretty cool. We all compete for time and attention.

I bet you there are three or four cities out there that could find companion cities that they could link to; and in the end, both would be stronger. Both would provide the customer with more and better applications. So I think cobranding is a success for everybody. So, I consider that philosophy cool.

We also have an employment site, called Work Avenue, that is employed not only in Indianapolis, Phoenix, Minneapolis, Orange County. This was developed by PATH-IT, Partners Affiliated for Exploring Technology, which is an information and technology sharing group that was formed four years ago. This is the only development work we did, and after that we took the oath of

never wanting to do sort of development again. But it turned out to be a very interesting opportunity to look at local employment and how to leverage technology to serve the needs of our local customers. We know that the national customers are out there, fighting for those dollars. The question for us is: How can we use technology to get them to stay with us longer and provide services?"

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. . . and it is a local decision, and not everybody wants their ads aggregated up on a monster board or whatever. In addition, my feeling, as the web is getting more mainstream, that the highly technical and highly Internet savvy job offerings will become less of a whole. Service level jobs, and other jobs like that, clerical and lower level management, will go to the web as well; and those tend to be very locally driven. So we need to have local solutions.

Work Avenue looks something like this: When you come on, you're asked for a password, user I.D., and to upload a resume. It's a solution for the employer, because they get a company profile. In addition, they get information about the company, but also, we link out of that to their specific ads on Work Avenue, as well as linked to their own site, if they have an internal site, regarding employment. And a lot of the players are starting to do that as well.

Along the same lines of employment, we also look at the national employment in terms of high tech, because we own this company called West Tech, and A Virtual Job Fair is their web site. It's a national high tech career solution for both, again, employee and employer; and I think you

have to think of using technology to drive both of those equations. In addition, they have developed something, I'll show you, called Career Index, which is a very different way of looking at technology landscape and the competitive landscape.

This is the BGF Home Page. Again, it gives you an opportunity to do his job search; but for the applicant, there are some rewards associated by registering and uploading a resume. In addition to getting posting your resume on-line, and this is sort of the log-in to your agent screen. You get a customized home page, which allows you to edit your resume, remove your resume, and review the results of a resume, which are the reward, which is Job Listings, and they tend to go very deep if you're looking for something like web programming, if anybody here wants to write pearl, this is the place you could probably put in a word of pearl and get 900 resumes. What I like about this is that it has a stick app called the Job Agent, and here's an e-mail message that I received after filling out my agent, which now runs automatically in the background every week, which sends me e-mail saying that for key word "Information Technology Management," which I typed in, State of Arizona, 37 job opportunities await me. So, as soon as I'm done with this presentation, I'll be in the lobby making some phone calls. (Chuckles - comment: Tough crowd).

Again, you get access to that database; and as you see, it's pretty much the same database as before. So we're leveraging the database. Again, nothing that I think is strange to anybody, but everything is built on a database, and we're leveraging that same database, where we're making it easier for the consumer, with the Sticky App.

Career Index is a very different approach to employment. And what it does, it's an aggregater of aggregators. And what we have done here is we have built a database, and technology, to go out and aggregate all sorts of search engines, and allows you, if you look at all the check boxes, which I agree are sort of hard to read, it not only allows you to check the allies, friends, and the usual suspects, but also the competition in the same space that West Tech is in. The goal here is for the consumer. This is really a consumer driven sight, so that when you do get the results, and you get

to select what search company you want to look at, or what job site, you get results back that are very deep, in the neighborhood of 300 listings, for very specific jobs. Because it goes against a number of different sites. In addition, it allows you customizing and to sort the data by where you want to work, what company do you want to work for, and go direct to e-mail or send your resume directly. This is not difficult technology to build, but my words of wisdom out of all this is that you've got to start thinking or asking about how do we use technology to further the needs of the customer.

The next slide I want to show you is Home Fair, homefair.com, which is relocation tools and services. We call this the Disneyland for movers, entertainment and information. And the president of CEO Homefair, Rich Ganly, likes to give this description of what they do: They're very much like Disneyworld or Disneyland, where they give you some entertainment and then they dump you out in the gift shop so you've got to buy something. And you feel satisfied with the whole experience, because you had a great time. Maybe you learned a little bit about the pirates in the Caribbean, but you also bought a sword. And a subsidiary site that we just bought, called the School Report, which has very deep information about schools; and that's why we put them together, is because #1 factor, when people move is, what do they do about schools? Where are the best schools? So I want to show you that.

This is the Home Fair site. Main page, upper left hand side as the school report button that you click on and you're brought here, which gives you some information that you get basically for free for the banner ad placement. But if you're willing to sign up, this is what you would get for free. It's basically a look at all the schools in a certain school district, and that's great. You can look at all those schools and sort of compare it. But if you're looking against school district, because you don't know where you're going to live or where you want to move, you get this registration form; and this is the back and the bottom part of the registration form; and what's interesting about this is what we call permission-based marketing, and using technology to help the consumer make a selection in and of themselves. You select one of, I'm showing three here, there's usually 4 or 5,

three providers of the comparison reports. These are the sponsors. We have four, five, six sponsors: Norwest Bank, The Arizona Republic, the Insurance Professor, are all sponsors of comparison reports on schools. If I want to compare two, three schools, I sign up and say, "I want..." again, this is free of charge, but I'm willing to give you something, I'm willing to give you my name and some information about when I'm moving, how many kids I have, I get permission based marketing, so I give and I get back. And the coupon you get, which gives you some information about who you can click on, and if you happen to click on *The Arizona Republic*, you get this screen here, which says, "We're going to give you a free subscription to the newspaper when you move and just sign up right now." Something like that is easily deployed, and we think is pretty cool, because it ties it all back to the print product, which we're trying to keep successful.

The last slide I'm going to visit is Arizona Central, which is the web site for *The Arizona Republic* and some of our sister publications in Phoenix. I'm going to show you *Arizona Guide*, which is an unique partnership. We are firm believers in partnering, and add-on times and new technology we're putting in for Classifieds, and this is something that is neat and cool to end.

Arizona Guide is a partnership with a state agency called The Arizona Department of Tourism, and we develop and manage this site for them. And what we have done is create a very tight, integrated model here. We recognize that tourism is one of our major industries, so we're trying to, how can we use our assets, their assets, and make it a better customer experience, regardless of whether you go in through Arizona Central or in through Arizona Guide. If you go to the bottom of this page and you click on some of these icons here, such as taking a hike, you might get this page and end up on Arizona Central, but with the Arizona Guide cobranding. We find this a very effective way of managing the consumer experience. The neat technology thing we're developing in conjunction with the state is interactivity to find information. So we've just launched a new service called the Trip Planner, where we have some sort of pre-defined, at this point, it's sort of a dozen predefined categories: ecological, Indian, scenic, categories of

information that if you're planning a trip to Arizona, you might be very much interested in Indian art, or you might be very interested in cacti, and you select that, or you can select a city; and if you do that, we'll give you back a search page. You click off a number of those little buttons and you get your trip planned for you. Ask you where you want to start. You can start anyplace in the state, and the reward is a map that I call this Map Design and Look under construction, because it sort of doesn't have the quite the quality that we want to present, and experience, but the functionality is getting there, where it will start and end your trip for you; and what we want to do then is provide even more information. We think that, again, standard technology, but it's integrating it for the customer experience that we believe will be ultimately successful and will make us successful.

A new application that was launched January of this year is something called Add-on Time. It allows on-line entry of Classified Ads. What you see is what you get, which has always been one of the big problems of on-line entry of Classified, because how do you know how many lines it's going to be? Basically, we're starting to allow the customer to manager their Classified account, both in print and on-line. You can print this ad, both in print and on-line. You go the Classified main page, place your ad, you get this screen, right now we have three classifications. We have automotive, general merchandise, and yard sales, always very popular. When you start your ad, you fill out a series of boxes and basically type in your ad. It's single screen, you scroll down, you fill it out. At the end you use a calendar to select the number of days you want the ad to run, submit your credit card, it's a secure server; it is automatically sent to our Classified system; and it runs on the days that you specify. You've paid for it by credit card. You also get your ad on-line. And you can manage your account and use your ad summary, which basically shows you when your ad's going to start, what it says, how many lines it is. We think, rather than try to prevent customers from taking their Classifieds on-line, we're going to help them; and we want to be the trusted agent that facilitates that successful transaction.

And finally, this is the ad, you can see it down in the bottom, sort of. It's hard to see, for those in

the back. It's the very last thing. And it's a three line, Classified Ad that's already to run with the start dates.

And finally, just something because it's fun and because I don't think very many people are doing this, we created this little sticky app. Actually, Dave Seaberg, one of the technology managers in *The Arizona Republic*, and Dan Honz that used to be in On-Line at the *Republic*, just sort of did this, because they both happened to like the Police Scanner. I don't know whether you've ever heard the Police Scanner, but it can be sort of interesting and very boring. What we're finding is, that people just like to come and turn it on and listen to it, and they get to hear things like (a police transmission is being broadcast, apparently right from the computer).

And if you want to know what a 101 is, we have the codes listed on another page, so you can find out exactly what a 101 is, which I think is a male, and all the codes. Not hard. We use real audio. We think it's cool. You asked for cool! Okay. We think it's cool.

I want to show you something that's under development, that we think, I'm very much interested, later, in any feedback you have. I think this goes to the bottom line of managing our own content and our own sites more effectively. This is a beta project with Waveshift. If you're not familiar with Waveshift, they started out in the community publishing business and have developed some other technology that we're very much interested in. We've used Waveshift for our Easy Neighbor's site very successfully. 700 community groups. But in the beta project, we're looking for a targeted search, again to go back to the goal of holding the customer longer on the site before you let them go off. Don't get me wrong. I don't want to keep the customer from going off. What we want to do is, we want to make them feel like, "Well, I've exhausted all my options and I'm tired and I want to go to sleep now," rather than, "Well, I can't find what I want, I'm going to Yahoo."

My belief is that our current search engines don't meet any specific needs, and they require too

much technical management if you build your own search engine. So Waveshift has developed something called Search Server. It's not up and running, it's just under development; but it allows site managers, web site managers, to pick and choose external sites to search. Let me show you a problem and then see if this is the solution.

If you were looking for information about charter schools in Arizona, right now you could link to other content about charter schools, in addition to having your own content; and you could link to search engines which would search for charter schools across a wide variety of databases; but in both cases, the customer moves off your website. So, it works like this today. We do a great charter schools, and charter schools are very big in Arizona, sort of a liver turning approach to education. So we do lots of stories about charter schools, and we've got education web site and lots of links, blah blah blah, and we've got a listing of all the charter schools; and if you click on here, you might go off to another site and we've lost the customer. Now, we could frame them or whatever and make it difficult, but that's just sort of making it harder for the consumer. Eventually, we know they'll need to get specific information about those schools, so why not help them? And that's what Search Server looks. You would get a screen like this, where you would have a dialog database, and I've typed in "Math in Tempe," which is a town where I live, and ask it to search charter schools sites for information about Math in Tempe, and I get these results back. So now I've targeted the results, and they're specific. And that's all cool and neat, but what I like about the whole concept is, I manage what sites get put in there. I become the manager of sort of this pseudo database. I can add sites, delete sites, validate what sites, in other words, rather than relying on someone else to make those recommendations, I can go back to the journalist's role, editor's role of providing guided content, content of value. And ultimately, that's really one of our core strengths. It's not web, it's not local, it's providing value in the content. And then I could look at a catalog of all my sites and then go there.

So, the CEO of Waveshift is down on the floor. His name is Andy Beale. If you think this is something you can give him some feedback on, I'm interested in it for that reason; but I thought

I'd show it to you and get your thoughts on whether you think that's cool and interesting.

So, in summary, we use our technology for interactivity, to maintain rich databases of content, to own a market, geographic markets as well as demographic markets, golfers, charter school markets, Indiana basketball fans, and make the customer experience fun and rewarding, giving them something back in return.

Thank you for your attention. If you want specific information about any of these sites, and these are the people who really deserve the credit, because they're the ones doing this on a day to day basis, Merta Pollium runs *Star News* on-line, and this is her e-mail address. Virtual Job Fair is run by Paul Bourroughs, and here's his e-mail address. Home Fair, by Rich Ganley, and here's his. Arizona Central is run by Chris Leville, and here's her e-mail address. And finally, (cartoon voice) "Hey look, buddy. I got a sandwich sitting here with my name on it; so uh, why don't you have your e-mail call my e-mail, and we'll do lunch sometime. All right? Adios. Chin-chin. Asta la Vista,..... I got to go."

And that does it for me.

Questions for Howard?

Q: ??

A: Yeah, it's dynamic. Don't ask me what the specific database is. But yeah, you can search specific things.

A: Actually, we're not. What we're doing is, the School Report people have a network of workers, part-time workers, who have validated that information. Because they found

that is the only way you're going to get up-to-date accurate information. And that is why the database is so good. Because they've been doing it, they started out as a fax product, went to a proviticial on-line solution to Realtors, and now have taken it to the Web. We believe that valid information is really important, as opposed to: I just want to put it up when I remember to put it up.

A: Well, we've got two out of the three solved. Right now we haven't found the national employment aggregation solution that we'd really like. We're still looking; and that's part of what I have to do, as part of my daily routine, is to look at those things. Ultimately, I believe, we'll come up with a national aggregation solution; but we haven't found the one we like yet.

A: Yes. I see that you have to provide whatever the customer wants. Strategy is another way of looking at it. That you're not going to prevent the customer from doing what the customer wants to do. So, the question is: Can you get there first? Can you make it painless for the customer, because they don't want to be in that business. It goes back to when you took on, at Newspapers, when newspapers took on pre-press work for advertisers, pasting up the ad. Is that they could guarantee the quality; they could take that burden off of the advertising; and ultimately the relationship is much tighter and more successful for everybody. So, I believe we have to be able to do that, on a lot of different areas, not just employment. We're not going to be able to own the universe like we used to, locally or even nationally.