May 18, 2015

TMC “exploratory committee”:

When last I spoke with Sally Freeman about our upcoming June 8 meeting, we agreed that our committees would exchange memos with our respective POVs on the merger by the end of this week. Toward that end, Jo Ellen has drafted (with input from me) the following analysis. The doc begins with what we see as the potential benefits of an affiliation and also includes a SWOT analysis that considers the currents strengths, weaknesses, and concerns of the two organizations. While this document is not yet in a form to share with the AAN folks, it provides a start and should be useful for our discussion tomorrow.

Jay

**Opportunities in a TMC-AAN affiliation**

EXPANDED REVENUE OPPORTUNITIES

* Foundation funding--Having a more extensive network of media outlets, spanning both media with national reach and media with concentrated readership in metro areas around the country, should increase the appeal of special editorial projects to philanthropic funders and increase access to foundation funding for both groups. This funding would benefit both individual members and the 501c3 AAN/TMC org.
* Sponsorships—Increasing the number of outlets in our association will make exhibiting and sponsoring conferences more appealing to companies. Our joint conference in 2015 sold out exhibitor space.
* Revenue Models—TMC members have expertise in building “membership” models and cultivating foundation support. AAN members have expertise in putting on profitable events and other entrepreneurial business development. An association between the two organizations may have greater opportunities to offer trainings for members.

EXPANDED MEMBER BENEFITS

* Services--AAN and TMC offer different services to members. AAN has an ad network and is developing a mobile ad network. TMC has brokered inexpensive access to PR databases and a sophisticated email marketing system (WhatCounts). Potential of negotiating for other services such as Chartbeat. There would be a value to members in being able to access services from both organizations.
* Grants—TMC has consistently given out over $100,000 per year in grants to members over the past 5 years. We anticipate that adding local outlets will increase foundation interest in the joint org, and provide the 501c3 with even more money to re-grant.
* Staffing—Both AAN and TMC are understaffed. The two AAN staff members (plus a management company) are asked to run three annual conferences, an ad network, maintain sponsor relationships, communicate weekly with members, negotiate deals for new services, etc. TMC’s 1.25 staffers run a conference, editorial collaborations, promotional news feeds for members, plus bring in new services, etc. Combining staff could relieve duplication and take advantage of staffers’ complementary skill sets.
* Joint conferences—The joint 2015 Digital Conference seemed to be successful in terms of content and connections. It’s our impression that members of both groups found value in being together. This could be built on substantially.
* Advocacy—AAN employs an attorney to respond to help shape response to deleterious legislation; as a 501c6 AAN can lobby on behalf of members. TMC has become a leader in media policy and an advocate for independent media in policy discussions. Combining these two strengths will make us a more powerful advocacy organization.
* Two offices--East coast and West coast offices would make in-person meetings with funders, sponsors, advertisers, and members more feasible.

JOURNALISTIC IMPACT

* Content share. If TMC and AAN were affiliated, we could establish more sophisticated systems for coordinating content sharing, e.g., through an editorial list serve and/or the AAN syndication service.
* Increased Reach. AAN outlets would be able to partner with national outlets and broadcast outlets to give their stories greater reach. TMC outlets would be able to ensure that stories with place-specific content reach readers in that place.
* Collaboration. There is an opportunity to work together to cover complex stories. Charter schools, for example, exist locally but are part of a national conversation involving families, teachers, politicians, and state/federal data. To really cover these stories we need local journalists, national beat journalists, investigative data journalists, and info graphics talent.
* Impact measurement. TMC has a special focus on impact measurement and is at the forefront of developing tools to do so. (Assessments of impact are of increasing interest to philanthropic funders.)
* Change the narrative about the alt weeklies: Connecting with the Media Consortium would give AAN a new story to tell.

**SWOT Analysis**

The Media Consortium

Strengths:

* The Media Consortium has grown from 40 to 75 outlets over three years.
* The Media Consortium has ended each year since 2011 with a positive balance.
* Over 85% of members pay their dues which range from $75-150 for associate members and $250-1000 for full members. Members are proud of their membership in the organization.
* The Media Consortium is a pioneer in the field of impact measurement; the organization is becoming known for high-impact collaborations that educate the public and lead to change, from its 2012 coverage of #OccupyMayDay to today's #BlackSpring coverage.
* The Media Consortium's Executive Director is increasingly invited to small retreats where policy governing the independent news ecosystem is made. Most recently, she helped organize a 30 person retreat at Pocantico.

Weaknesses:

* The Media Consortium's income relies heavily on funding from three foundations. We have not been able to get funding from Knight or OSF, two of the major foundations in the field. We also have not been able to diversify our revenue stream.
* The Media Consortium is understaffed (and that staff is underpaid) for what it is asked to do. Total budget for personnel is under $100,000/ year.
* The Media Consortium is still a project of FNP, which costs us 7% per year in overhead but more importantly limits our ability to take out loans, sign onto legal briefs, and recruit board members.

Opportunities specific to TMC:

* Impact: Media Consortium outlets increasingly work together to tell complex stories; being able to partner with AAN papers on site (as in Ferguson) would increase the quality of content and help give collaborations more audience and impact. We have already tested this partnership in our Plan B collab of 2014. New potential collab areas:
1. Black spring—both a local and national movement
2. Immigration reform—hard to tell the national story w/o reporting from Texas, Arizona, but also Minnesota, New York.
3. Health care--what's the real story? Need to go to states to know.
* Admin: Combining back offices with AAN would help solve the Consortium's understaffing problem.
* Services: AAN and TMC offer different services to members. There is a value to members in being able to access services from the other organization.
1. Cision pr database
2. What Counts email marketing
3. Database: work happening on subscriber/donor database
* Legal Structure. If there is a merger, TMC would gain a legal structure.

Threats:

* Concerns that the cultures of AAN and TMC may be too different; members of each find they cannot partner; do not want each other's services; cannot agree on governance.
* Combining staff creates more work for staffers rather than less; important tasks fall through the cracks.

AAN (Based on what Jo Ellen knows of AAN)

Strengths:

* AAN has $1 million in the bank.
* AAN has a $501c6/ 501c3 structure.
* AAN has a decreasing but still vital income stream from its ad network, and has a good relationship with a set of sponsors/ exhibitors.
* AAN's Executive Director is well known among association heads and funders; she worked at Pew and helped start ONA.

Weaknesses:

* The digital revolution has hit the alt newspapers hard. Village Voice, their biggest chain, has collapsed; New Times, their second biggest chain, is weak; SouthComm, based in Nashville, has been acquired by a new owners who don't have backgrounds in journalism (they recently fired Amy Austin at the Washington City Paper). The remaining AAN members are scrambling to develop new revenue streams or die.
* Both AAN and TMC are understaffed. Their two staff members (plus a management company) are asked to run 3 annual conferences, an ad network, maintain sponsor relationships, communicate weekly with members plus bring in new services, etc.
* AAN's members are fractious. It's an old organization with old grudges, plus they have members that disagree for the sake of disagreeing.

Threats:

* There is some concern that cultures of AAN and TMC may be too different, that members of each will find they cannot partner, will not want each other's services, cannot agree on governance (eg, dues structures, procedures to admit new members).
* Combining staff creates more work for staffers rather than less; important tasks fall through the cracks;
* Some AAN members fears that a TMC affiliation will deplete their $1 million reserve.
* There’s some level of a concern over the “journalism vs advocacy” question and, perhaps, some latent concern over perceived ideological tilt.