

**To: The Harnisch Foundation**
**From: The Media Consortium, a project of the Foundation for National Progress**

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Independent media is at a crossroads. Journalism organizations and producers are struggling to remain relevant as major shifts in technology and the crashing economy are making old business models extinct. Media organizations are scrambling to implement new business and journalism models, but there is no does-it-all solution. The implications for our democracy are dire.

But there is hope. The changing landscape also offers new opportunities for independent media to sprint ahead of corporate media, become early adopters of new revenue generation models, and have a positive impact by engaging the public. The cost of reaching new audiences has dropped radically and the emerging media sphere includes a welcome emphasis on independent, critical, diverse news and opinion. Sustainability could be within reach.

There are two interlocking components that lead to sustainability, according to “Seeking Sustainability: A Non-Profit News Roundtable,” a recent report by the Knight Foundation. Those two areas are “revenue diversity (or “revenue promiscuity”) and lasting impact in the community.” The report continues, “The challenge is finding the best approaches for tapping this potential and building revenue streams and technology platforms that can support the organization without reliance on major grants from foundations and wealthy individuals.” While non-profit media organizations can and should seek ongoing support from foundations and large donors, they can’t build ongoing business models that rely solely on that support. But how can they effectively diversify revenue streams to build a sustainable model? That’s where The Media Consortium comes in.

The Media Consortium, a network of the country’s leading, progressive, independent media outlets is coordinating a groundbreaking program to help media organizations collaborate on experiments that will help them test out new opportunities in areas including moving into mobile, identifying new community and journalism models and, building new revenue generation models. Through its Innovation and Incubation Lab (II Lab), The Media Consortium offers research, connections to experts, and a strategic space to help its members navigate and experiment to overcome crisis and move into opportunity.

This proposal will provide an overview of the II Lab with an overall focus on the revenue generation lab component, which is designed to help our members innovate and test new opportunities in a collaborative, low-risk environment. The revenue generation program will give birth to concrete experiments that will position these outlets as sustainable key players in tomorrow’s media landscape.

**About the Incubation and Innovation Labs**In 2009, The Media Consortium produced a comprehensive report on the media environment called *The Big Thaw: Charting a New Future for Journalism*. The report maps several key recommendations on how The Media Consortium can help move its members to more sustainable and robust models in the future media landscape. *The Big Thaw* has become a key tool for our members’ strategic planning, and provided framework for our Incubation and Innovation Lab.

The Media Consortium's Innovation and Incubation Lab helps our members experiment with new business, publishing and editorial models that take advantage of web-enabled reader/publisher relationships at a scale that they would not be able to achieve alone. Members learn from outside experts and trade experiences, information, and ongoing questions with each other. They not only discover the best strategies for their organizations, but also learn how to implement them—a critical component of ongoing success. Experimentation will lead to successes and sometimes failures, but the program creates a vital space for media outlets to identify and implement a long-term formula for sustainability and impact that will support their critical journalism.

Cumulatively, this program represents a strong and strategic shift for independent media makers to move towards new opportunities that will encourage sustainability, long-term impact, and a healthy transition into 21st century media models.

Throughout 2010, The Media Consortium has organized small group labs on three topics. Each lab includes regular conference calls with participating members and outside experts, an in-person meeting for lab participants, online information sharing/communication spaces and more. In addition to organizing the labs, The Media Consortium is looking to provide at least $12,000 in seed money to help incubate a collaborative experiment for each lab. The programming and seed money associated with the experiment will allow these participating media organizations to test, track and learn about new strategies and models in a collaborative peer environment.

Small Group Labs

The Media Consortium has recruited over a dozen media organizations to participate in one or more of the following labs.

1. Moving into mobile: Cell phones, e-readers, and iPads, oh my!
2. Integrating journalism with community engagement and building models
3. Experimenting with new revenue-generating opportunities

Each small-group lab follows these basic phases:

* *Step 1: Identify members to participate in lab*
* *Step 2: Resource Gathering and Research*
* *Step 3: Experiment Idea Generation and Decision-Making*
* *Step 4: Design and Implement Experiment*
* *Step 5: Assess and Move Forward*

With these small-group labs, The Media Consortium's goals are to support TMC members in the development of new models for revenue generation, audience development, and editorial content. Cumulatively, these labs will catalyze a broad shift in how independent media outlets fit in a 21st century landscape.

In the first nine months of 2010, The Media Consortium launched our “moving into mobile” and “community and journalism” small groups. During that time, we have organized over a dozen conference calls and connected participants to experts from YouTube, the Public Insight Network, Knight-news challenge winner Stroome.com, Mobile Commons, the Public Radio Exchange, and more. The information garnered from each call feeds into experiment ideas.

Midway through each lab, lab members gather for a one-day, in-person meeting where they develop experiment ideas that incorporate one or more of following criteria:

* Bring in revenue from new sources or deepen current revenue-generating opportunities;
* Raise impact/influence of journalism (i.e. collaborations, new journalism production models, community engagement);
* Expand reach of content to targeted audiences.
* Be scalable/replicable.
* An emphasis on experiments that are collaborative or customizable per organization is highly encouraged.

The criteria form the basis for how II Lab experiments will be measured and evaluated. The evaluation will analyze how the experiment worked, if it accomplished the identified goals, and identify next steps in order to move from experiment to actualization. At the end of the lab cycle, participating members will also share experiences and lessons learned with MC members and allies, creating a ripple effect in which education, deployment of practices and evolution of experiments moves outward to benefit the whole independent media sector.

**Launching and Support for the Revenue Generation Lab**

In late 2010/early 2011 The Media Consortium will launch the third small group lab, focusing on new strategies for revenue generation. The lab will have six participating organizations, including: Inter Press Service, *In These Times*, The Uptake, Free Speech TV, *Ms. Magazine*, and the American Independent News Network.

The Revenue Generation Lab is the most complex and is critical to the long-term sustainability of our members. Many of our members have historically relied on a few basic ways to bring in revenue: subscriptions, basic small donor fundraising campaigns, foundation support, big individual donors and/or advertising dollars. While a combination of these strategies will most likely be the basic tenants of any media organization’s revenue model going forward, we must look at how to diversify and deepen these opportunities for the future.

That’s why this lab is so important—media organizations must be able to learn about, discuss, and actually experiment with revenue models in order to support their ongoing “revenue promiscuity” and long-term sustainability.

In the revenue generation lab, participants will explore multiple revenue generation trends and opportunities, including, but not limited to:

* Micro-fundraising: Exploring the Spot.us model of pitching story ideas to communities, who can then contribute small dollar donations to fund the reporting
* New advertising and sponsorship opportunities: Examine new models for creating advertising opportunities, reaching new advertisers, multi-platforming advertising and sponsorship spaces, getting the most from Google ads and much more
* Niche and special content creation: Selling special/premium content to high-value, niche audiences providing opportunities for high-value sponsorship and subscription
* Collaborations and partnerships: Fostering editorial and business collaborations among one or more media organizations in order to share and expand resources, editorial output and develop audiences
* Membership: Integrating the NPR and PBS model of audience memberships, having people pay for special access, events, information that are provided by the media organization(s)
* Community engagement and mobile: Building on lessons learned and experiments developed from previous two labs that offer new ways to sell and license content and technologies (mobile), and engage and expand audiences to support and/or lower costs for content creation (community engagement)

The Media Consortium will launch the revenue generation lab with a survey of participating lab members to assess their current revenue generation strategies, identify the initiatives they want to evolve and map out new strategies to explore. In addition, TMC has already started to compile research and articles on new revenue models and experiments including examples such as the “Seeking Sustainability” report and books such as *Funding Journalism in the Digital Age* to inform lab members of trends and ideas that can be used as the foundation for experiment brainstorming. Media Consortium staff will also coordinate conference calls between lab members and experts in the above listed new revenue fields.

The culmination of the research and resource gathering phase will result in a one-day meeting among lab participant members to brainstorm and decide on one or more revenue generating experiment(s). The Media Consortium will continue to work with lab members to develop and implement the experiment(s) and the final report on what worked, what didn’t and what needs to move forward.

Lab participants will identify the how they want to invest seed money in during the experiment idea generation portion of the lab. As we’ve seen with past labs, experiments have a broad definition. The money can be used to hold events and/or build out the next phase of an experiment, buy into new technologies or platforms, support consulting or staffing to move the experiment forward and much more.

**Project Budget**

The revenue generation lab is not set up to be a project that will need ongoing support from foundations. It has been developed to foster the sustainability of media organizations over a set period of time. Throughout the past year, The Media Consortium has raised $60,000 to support different components of its Incubation and Innovation Lab.

Support for the Incubation and Innovation Lab has come from foundations including the Open Society Institute, the Chicago Instructional Telecommunications Foundation and small fees from participating lab members. $22,000 went to the Digital Refresh Workshop, a one-on-one consulting and strategic planning program provided to three TMC members throughout the year. The remaining amount is directly funneled to the staffing, organizing, and experiment support for the Digital Innovation Studio and its three small-group labs. An additional $43,000 is budgeted towards the lab organizing and experiment implementation in 2011.

Support from The Harnisch Foundation will help The Media Consortium and its members more effectively resource the experiments generated by the revenue generation lab and support The Media Consortium staffing and organizing of the lab in late 2010/2011. The Media Consortium requests $15,000 from The Harnisch Foundation to equally divide between TMC staffing and experiment support.

**About The Media Consortium**
The Media Consortium is a network of the country's leading, progressive, independent media outlets. Its mission is to amplify independent media's voice, increase its collective clout, leverage current audiences and reach new ones. The Media Consortium believes it is possible and necessary to seize the current moment to change the debate in this country. It accomplishes this mission by fulfilling five strategic principles:

* Foster Collaboration and Coordination
* Build and Diversify Media Leadership
* Focus on Audience Development
* Bring Money and Attention into the Sector
* Support Innovation in Journalism and Business Models

The Media Consortium "...echoes the low-cost, high-reward forms of online organizing that liberal groups excelled at in the 2008 election," wrote Harvard University's Neiman Journalism Lab in a July 2009 article. The Media Consortium is leading initiatives that advance and strengthen the independent media sector and the very foundation of democracy itself.

Since 2005, the Consortium has become the leading forum for building partnerships and collaborations among independent media outlets and external allies. The Media Consortium is now a network of dozens of leading independent journalism organizations that work in print, online, in film, on television and on the radio. Our current members are:

Afro-Netizen

AlterNet

American Forum

The American Independent News Network

The American Prospect

Balcony Films

Berrett-Koehler Publishers

Brave New Films

Campus Progress

Care2

Change.org

ColorLines

Democracy Now!

Earth Island Journal

Feministing.com

Feet in Two Worlds

Free Speech TV

Free Speech Radio News

G. W. Williams Center for Independent Journalism

GlobalVision/Media Channel

Grist.org

Hightower Lowdown

Huffington Post Investigative Fund

Inter Press Service

In These Times

LinkTV

Mother Jones

Media Venture Collective

Ms. Magazine

The Nation

The Nation Institute

National Alliance for Media Arts and Culture (NAMAC)

National Radio Project

New America Media

The New Press

OneWorld US

Orion Magazine

The Progressive

Public News Service

RealTV/IWT

Regional News Network

RH Reality Check

Talking Points Memo

Texas Observer

TruthOut

The Uptake

The Washington Monthly

The Western Citizen

Women’s Media Center

Workers Independent News

YES! Magazine

The Young Turks