

The Media Consortium — Vertical Ad Network Feasibility Project

Discovery | Opportunity Assessment | Technical Assessment | Financial Planning

Marketechnique Team

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This proposal is submitted at the request of Tracy Van Slyke, project director of The Media Consortium, a network of leading progressive independent journalism organizations. Discussions with management have led to the following proposed scope for a feasibility project. The primary goal of this engagement is the creation of a document or series of documents for The Media Consortium that:

- Assesses the short-term and long-term market for a vertical ad network built around liberal progressive journalistic media properties and organizations (Media Consortium member sites)
- Provides sound financial analysis of the opportunity including estimated costs, revenues and potential profit
- Assesses the technical parameters and requirements for aggregating member assets and managing sales and ad-network operations
- Maps out an operational outline that includes a sense of the financial and organizational investment requirements for a successful vertical ad network initiative

Most importantly, the project is intended to support Media Consortium's attempt to explore several planned and evolving Web initiatives by developing the foundational elements and planning components necessary to withstand board due diligence and successfully sell a defined vision and operational path to your member partners.

Marketechnique offers best-practice digital media consulting services, typically supporting a wide range of Fortune 500 companies as well as start-ups by filling a variety of strategic and operational gaps in their Internet business capabilities and providing real-world solutions that support implementation.

- Founded and incorporated in 2003; in business for 4+ years
- Built on a foundation of sector expertise in print, broadcast and online media
 - Principal and team leader has 25 years of print, cable, and digital media experience
- Best-practice-driven consulting process — discovery phase is key starting point and a phased approach allows for phased investment
- Delivering smart, realistic and effective digital media strategies
 - Web business model and strategy development
 - Revenue assessment and P&L development
 - Organizational development
- Post-strategy launch and operational support offered in combination
 - Web product development (info architecture, editorial development, design & development management)
 - Revenue development (sales strategy, ad placement development, pricing analysis)
 - Sales development support (presentation development, trade marketing implementation, etc.)
 - Web marketing and outreach planning and management

This project has straightforward goals and our approach encompasses distinct areas of focus:

- Assess the market opportunity
- Assess and outline the technical, operational and financial requirements
- Interview and pursue initial relationships with potential strategic and operational partners

Marketechnique advocates a focus on the development of an ad product platform and viable business model tied to the niche ad network concept. Without a detailed product vision or a verifiable business model, any initiative is likely to encounter difficult challenges.

We believe that there is a distinct short-term opportunity in front of The Media Consortium given anticipated digital spending during the 2008 election cycle. Partnering with existing ad networks or larger Web sales organizations may unlock revenue this year, as well as allow The Media Consortium to share investment risk while developing sector expertise.

In parallel with discovery and planning, Marketechinque can be immediately helpful to the Media Consortium by driving business development meetings and establishing these relationships.

We advocate meeting with relevant ad network and other strategic partners that might allow for a short-term strategy of partnering versus building. These relationships may allow your fledgling network to get to market quickly by piggy-backing on existing infrastructure and sales assets.

Marketechinque's approach is to develop product ideas and vision suited to your specific political and organizational environment —

- We apply rigorous discovery and analysis to the target sector
- Devise product parameters and solutions
- Craft specific revenue strategies using real-world comparisons
- Devise best-practice modeling methodology
- And leverage our insider knowledge of the Web ad sales marketplace on your behalf

Marketechinique proposes the following project scope:

Discovery and Assessment

- Assess the market for a vertical ad network built around liberal progressive journalistic media properties and organizations (Media Consortium member sites)
 - Research and discovery in the marketplace including interviews with media buyers, clients
- Assess the technical development requirements and feasibility of inventory aggregation
 - Identify the potential inventory and assets available from your member sites
 - Determine how inventory and ad serving are integrated across existing efforts
- Assess the feasibility of integrating property-specific sales initiatives with overlay of new “ad network” sell into major accounts and agencies
 - Discovery including interviews with member’s sales organizations and industry sales experts

Financial and Operational Planning

- Scope out the email product and revenue opportunity of aggregated member email database
- Develop a financial model outlining estimated costs and revenue opportunities
- Detail the investment requirements, financially and organizationally
- Outline operational requirements
- Identify potential overall ROI for the organization and its members

Discovery and Assessment Deliverables*

- Market assessment brief
- Technical assessment brief
- Sales assessment brief

Operational and Financial Planning Deliverables*

- Financial modeling including:
 - Cost estimates
 - Revenue estimates
- Operational plan brief including:
 - Organizational development requirements
 - Outline of operational parameters, potential road map and action steps needed

* Note that the work product may be combined as necessary into integrated presentations.

The Media Consortium management indicates a desire to fast-track this project. We believe that exact cost estimation is difficult to pinpoint due to the broad nature of the work involved.

Timing and compensation parameters will depend on resources that The Media Consortium and its partners can bring to bear on the project. Also, the depth and level of due diligence and discovery can be modified to reflect tighter or more expansive consulting budgets at The Media Consortium's disposal.

We're estimating approximately 10 to 15 days of work across the project. This could take approximately 6-8 elapsed weeks depending on numerous variables.

Initial Cost Estimate

\$25,000 to \$30,000

Team Leader — Hart Hooton

Mr. Hooton's diverse publishing experiences span twenty years and include stints as both editor and business executive, and in start-up and mainstream media companies. In 2003, Hart created Marketechique LLC and the company provides management and digital media consulting services to Fortune 500, start-ups and medium-sized businesses. Prior to starting Marketechique, Hart served as General Manager of CNNSI.com, building this JV between Sports Illustrated Magazine and CNN Cable TV into one of the Web's leading sports sites and online communities. Prior to CNNSI, Hart worked in the offline sector as a senior executive at Hearst Magazine's Corporate Sales & Marketing division, and in magazine and newspaper management at Hearst, Children's Television Workshop and Art/World Newspaper. Current and past clients include:

- **NY Times Digital** [Marketing / Distribution]
- **About.com** [Marketing / Trade Marketing]
- **Time Warner Cable** [Revenue Generation Strategy / Sales Development]
- **Personal Democracy Forum** [General Management / Web Development / Event Marketing]
- **Condé Nast** [Business Planning]
- **The Nation** [Web-to-Print integration / Sales Strategy]
- **Public Agenda** [Site Redesign & Relaunch / Marketing & Outreach]
- **Reed Business Information** [Web strategy / Business Development]

Newspaper National Network

Corporate sales organization, owned by the leading 20+ newspaper publishing companies, delivering national print and online advertising and marketing solutions to top domestic advertising agencies and their clients via a network of newspapers and their web sites.

- Development of a hybrid strategy integrating existing print sales with emerging Web sales
- Evaluation and analysis of ad serving sector
- Ad Operations technical and deployment evaluation and recommendation
- Human resources development, including:
 - Staffing plan
 - Training
 - Organizational development

Time Warner Cable

One of the nation's largest MSO Cable companies, Marketechinique supported efforts to better monetize their Web site with best-practice ad placement deployment, sales strategies and tactics.

- Web opportunity assessment (forecasting, financial modeling)
- Developed an overarching product strategy for their online products
- Developed tactical strategy for near-term sales development and revenue generation
- Built trustworthy financial models bringing inventory, traffic analysis and revenue opportunities into clear focus

PublicAgenda.org

A non-partisan opinion research organization helping Americans explore and understand public policy issues since 1975. Marketechinque is devising Web 2.0 strategies and providing launch support while managing the re-building of their digital presence to better engage with the public, the media, educators, and policy makers.

- Development of a new Web strategy redefining their strategic intent and site mission
- Building new information architecture and redesigning their current corporate site
- Product development and software development management
- Crafting community, viral, marketing and outreach tactical plans

About.com

A top ten information Web business, Marketechinque is supporting marketing and branding efforts across consumer and trade marketing segments.

- Marketing and media strategy development
- Print and Web media planning
- Execution of marketing campaigns
- Budgeting, tracking, and reporting of marketing spend
- Optimization of media spending

CK Media

Sandler Capital's acquisition of Primedia's leading arts and crafts magazine group created a new company, CK Media. Without existing Web leadership, CKM turned to Marketechique, in transition, and we supported their digital media initiatives across a wide range of support and operational deployment.

- Strategy work
 - Web 2.0 product strategy
 - Advertising strategy and tactics
- Financial Planning
 - P&L Development
 - Revenue reporting
 - Web analytics
- Product development, including
 - Website development
 - Content planning and assessment
 - Video publishing rollout
- Site development work including:
 - Site info architecture development
 - CMS evaluation and recommendation
 - Ad placement re- development
 - Interface design

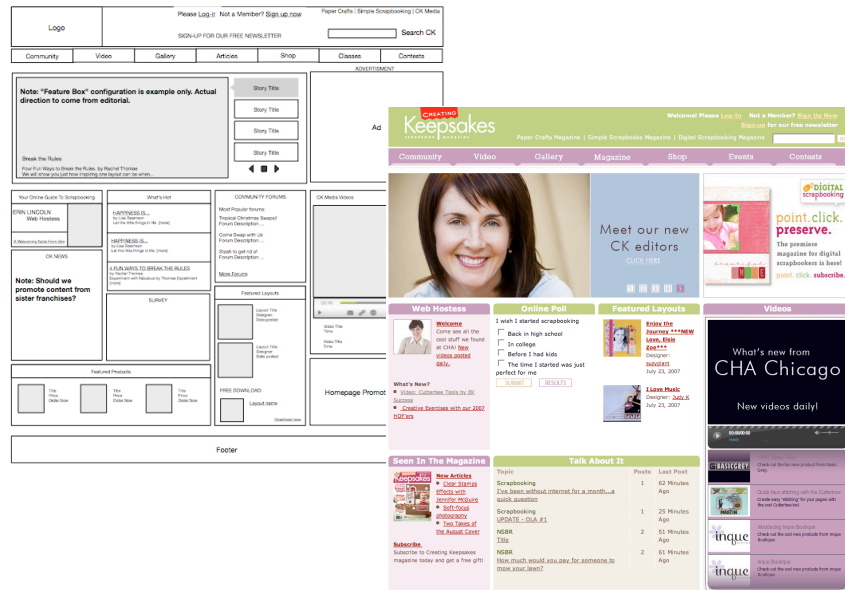


Fig. 1 Draft wireframe and interim redesign of homepage for lifestyle portal with content channels, rotating content promo and video channel.