



**From start to success**  
**A handbook for digital  
media entrepreneurs**



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# Foreword

During the production of this handbook for digital media entrepreneurs, the COVID-19 pandemic spread to all corners of the world. As infection rates skyrocketed in many countries, the demand for reliable journalistic content grew tremendously. The coronavirus accelerated trends that we have been observing for years: Fear of disinformation and misinformation among media users is on the rise and trust in journalists and their media organizations is at stake. Autocratic governments have used misinformation laws to increase censorship and control the digital sphere. Advertising markets collapsed and, with this, media outlets lost large chunks of their revenues.

While some might speak of an “extinction event”, at DW Akademie we believe that we can also grow stronger in such a crisis. There is no doubt that in this environment, small and independent media outlets that have been in existence for only a few years — including those from the 18 countries covered in this handbook — have been particularly hard hit.

The 21 media startups interviewed for this publication are in the process of establishing sustainable business models which can fund unbiased, impactful journalistic content. They are committed to combatting fake news not just during COVID-19, but the many “infodemics” to come. Given the restrictive environments they work in, these media entrepreneurs have to be even more creative, courageous and innovative than those in the Global North.

In our daily work as journalists, we all have to consider ourselves increasingly as managers of viable media organizations that can pay for the production of quality content. We must think of ourselves as digital pioneers and innovators who dare to revolutionize how media businesses have been run, how audiences have been engaged and how stories have been told so far.

At DW Akademie, we believe that our partners in developing countries and emerging markets can learn best from their peers and that the rest of the world can learn from them. We invest in digital innovation because we believe in the benefits of trying out new ways of supporting freedom of expression and access to information. And we are convinced that from the very start, experiencing failure is as important as learning from success.

In this spirit, this handbook provides practical insights and inspiration to digital media entrepreneurs from all parts of the world who are dedicated to independent quality journalism. I firmly believe that we can become even more resilient through this pandemic and that we will walk through the next crisis even taller.



**Carsten von Nahmen**, Head of DW Akademie

# I. Introduction





Workshop on investigative journalism in Bangkok, organized by Thai media outlet *Prachatai*.

# Editorial

by Prue Clarke

For two decades the story of the impact of the Internet on public interest journalism has mostly been one of doom. But in developing democracies, the Internet has sparked a journalism revolution. With Internet access has come an explosion of savvy media startups that have challenged newly elected leaders to strengthen democratic institutions. They have also challenged the lumbering media that was the legacy of authoritarian regimes.

This handbook documents the learnings of many of the pioneers of the digital startup world, from early birds like *Malaysiakini* to newer outlets like *Animal Político* and *Mada Masr*. It offers learnings, advice and ideas for the many startups that have come up with them and those that will come in the future. This practical guide is also an inspiring celebration of the grit and courage of journalists and their supporters, who will fight to overcome threats to their financial and physical security to bring truth, justice and, eventually, better lives for the people of their countries.

What makes this handbook particularly relevant is that it was researched and written by startup founders themselves. Rather than being a “how-to” from an ideal but unrealistic outside perspective, startup founders from Latin America, Asia and the Middle East asked their peers exactly what they want to know to run their own media organizations.

This means it will be valuable for anyone working in the startup space, including those in regional areas of the Global North. Many of the challenges these startups have tackled are the same faced in towns and local urban communities from New Zealand to Finland and the United States.

This publication would have been invaluable to my team when we set up two startups more than a decade ago. The first was *Front Page Africa*, started in 2007 as a United States-based website by my colleague Rodney Sieh and some friends in exile from their war-torn homeland of Liberia. The other was *New Narratives*, the nonprofit newsroom I started with Rodney in order to bring expertise and donor money to support independent, investigative reporting at *Front Page Africa* and other emerging independent newsrooms in Africa.

There weren't any reports to learn from a decade ago. Donors were still fixated on an old support model, which believed editorial training—through workshops—was what media in developing countries and emerging economies needed to improve. Instead, we learned from other pioneers in our region: *Premium Times*, the groundbreaking site in Nigeria started by a group of journalists including Dapo Olorunyomi and my brilliant former student Musikilu Mojeed, the *Sahara Reporters* team, in exile in New York, and *Joy FM* in Ghana.

Like those pioneers we knew the real challenge to good reporting in Africa was the business model. The old model oper-

ated on a pay-for-play system where newsmakers, including aid agencies, paid journalists for coverage. *Premium Times*, *Joy FM* and *Front Page Africa* paid their journalists decent incomes and forbade them from taking payments from sources, so they were free to report independently.

That approach meant finding a viable independent business model. Like the pioneers in these pages, *Front Page Africa* and *New Narratives* have worked hard to find reliable revenue streams. Technology and the Internet gave us options. The *Front Page* team was smart to recognize that the diaspora, largely in Europe and the United States and wealthy relative to their compatriots at home, was an attractive market to big advertisers such as telecommunications companies.

They ensured the website was accessible and easy to use. They branched early into social media. High quality, independent journalism made it the go-to for the diaspora and expats. *Front Page* gave diaspora audiences and their compatriots at home a chance to discuss their country's future in real time for the first time. Like the media houses in this publication, *Front Page* listened to its audience. They hired strong women, young reporters and reporters from minority tribes and regional areas. They sought opinion pieces from a wide range of voices.

Media in new democracies have the added burden of having to teach citizens what journalism's democratic role is. Liberian audiences had come to expect that every story had been paid for by an interested party, so they didn't trust media. Rodney and his internationally celebrated reporters like Mae Azango used public forums to explain that their journalism was not about trying to gain power or line their pockets.

The new startups were there to serve the people: to show that good journalism was key to building democracy, to keep leaders accountable and government efficient, to give voters the information they needed to make good decisions at the ballot box. Some of Rodney's own friends in leadership positions learned the hard way that he was just as willing to expose them for misdeeds as he was to expose his critics.

At the same time, *New Narratives* struck out on a new path— attracting donors who were willing to break from old workshop-based training models and invest in building independent and investigative skills with practical on-the-job training, while also supporting the business of independent media. *Front Page Africa* now has a hybrid business model that raises revenue through advertising, subscriptions and reader support, and donor support through *New Narratives*.

We faced many of the same challenges as our counterparts in these pages. *Front Page Africa*'s site has been hacked, the building firebombed, reporters have been forced into hiding. In 2012 a US\$1.5-million libel charge shut the paper down and sent Rodney to debtor's prison for a sentence of 5,000 years.





*Animal Politico* is now an established media company in Mexico with more than 30 employees.

That proved a turning point. Both media outlets had won so much support among Liberians and the international community that the government of President Ellen Johnson Sirleaf realized the political cost of shutting the paper down had become too high.

Building that international support had been a key part of our strategy. We had close relationships with good donors, journalism schools, the Committee to Protect Journalists, Human Rights Watch, Reporters Sans Frontières, Deutsche Welle and many others. *Front Page Africa* won the race that many media houses in fragile democracies are running: build enough financial independence and public support before opponents of free press shut you down. It's a grueling race that requires resilience, agility, common sense and humility. Only the most determined, and lucky, will finish.

The COVID-19 pandemic and the rise of populist leaders in democracies around the world are posing immense new challenges to startups. For many, this will be a death knell. The silver lining is that donors and leaders are finally realizing the mortal peril that public interest journalism and democracy face. The next few years will tell whether governments are willing to impose the social media regulation and support for independent media that will protect the information ecosystems that underpin democracy.



**Prue Clarke** is senior executive officer at Judith Neilson Institute for Journalism and Ideas in Sydney, Australia. She is a longtime journalist and media development expert working primarily in the United States and Africa.

In 2010 Prue cofounded *New Narratives*, a nonprofit investigative newsroom in West Africa that has done groundbreaking work boosting local media houses and publishing stories that drive change.

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## Overview of our 21 interviewees from around the globe





Kareem Sakka, Raseef22  
Alia Ibrahim, Daraj

Lina Attalah, Mada Masr  
Amr Eleraqi, Infotimes

Rana Sabbagh, ARIJ  
Ramsey Tesdell, Sowt

Sonny Swe, Frontier Myanmar  
Pongpan Chumjai, Prachatai

Sherry Lee, The Reporter  
Tom Grundy, Hong Kong Free Press

Maria Ressa, Rappler

Premesh Chandran, Malaysiakini

Dewi Asmarani, Magdalene

■ Chapter 1

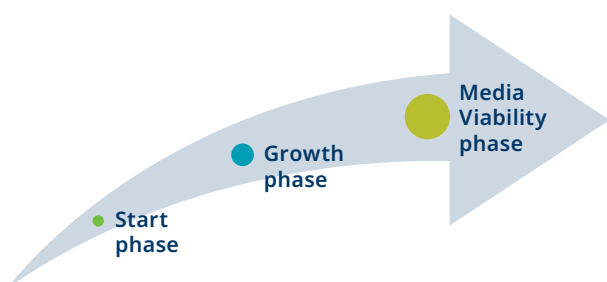
■ Chapter 2

■ Chapter 3

# A three-step approach from start to success

by Eira Martens-Edwards

This handbook is a practical guide for digital media entrepreneurs from all parts of the world who have recently founded a media outlet and are seeking sustainability. We take a three-step approach, looking at the start or founding stage (I), the growth phase (II), and achieving long-term success and sustainability, that is, the stage of media viability (III).

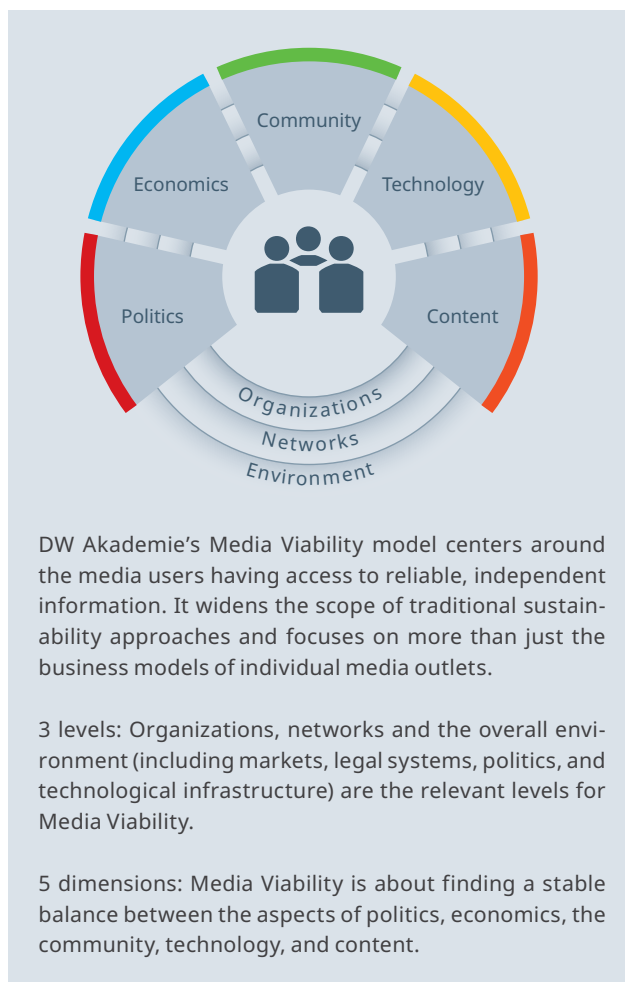


At DW Akademie we believe that media viability refers to the ability of media organizations to provide independent and high-quality journalistic content in a sustainable way. This definition takes into consideration the overall economic and political context and technological infrastructure, as well as aspects of the community and quality of the content. DW Akademie's media viability model centers around the media users who have a right to access reliable, independent journalistic content. In fact, we see media viability as an essential precondition for citizens to have stable access to reliable information. This holistic approach goes far beyond analyzing revenue streams and business models. Media viability is more than financial profitability and sustainability.

News media outlets, big and small, well established and up-and-coming, often focus too much on revenue streams and financial aspects of their business. They are frantically testing membership models and paywalls and are moving from one donor to the next. However, this approach often ignores other organizational aspects such as human resources and audience engagement. For example, it is crucial to assess which technological possibilities your audiences have in order to access and use media content, and their needs and preferences in terms of formats and platforms.

In restrictive environments where public access to information and freedom of expression are limited, innovative business models can only last only so long. Diverse revenue streams will not save the day when your journalistic content cannot reach audiences because of unstable Internet connections, high costs for data, a lack of payment options and income.

Finding a viable business model that allows media outlets to produce impactful and independent stories is a constant and comprehensive process of strategy building and organizational development. It also means knowing about your networks and the environment outside the organization that influences



the functioning of quality media, such as watchdogs of government, business and society, thereby allowing you to have the impact you are working towards.

This is why this handbook takes the perspective of individual media organizations but goes well beyond asking questions about money. Aside from the topic funding and revenue streams, membership and community building, staffing, internal organization. Moreover, the handbook highlights topics that are key for media startups including digital innovation, collaboration and building a trusted brand.

In line with our three-step approach, this handbook consists of three main parts: In **Chapter 1 (Getting started)**, Hanan Sulaiman sheds light on the initial challenges of starting a media enterprise in the Middle East and North Africa (MENA), a region continuously facing economic and political instability. In **Chapter 2 (Structure and growth)**, Kirsten Han and Pauline Tillmann explore how Asian startups deal with organizational and financial growth. In **Chapter 3 (Sustain your success)**, Laura Zommer and Ana Paula Valacco take a close look at start-



ups that have succeeded in making their success long-term, in other words, they found a viable business model for their media outlet.

All of our authors bring the experience of having founded media outlets themselves. For this book they interviewed a total of 21 startups from 18 different developing countries and emerging economies including six media entrepreneurs from MENA (Chapter 1), seven from Asia (Chapter 2) and eight from Latin America (Chapter 3). We selected innovative media startups that are mostly digital, with a special focus on new technologies and alternative revenue streams. For the interviews we jointly developed an interview guide with our team of authors. The research questions and topics were based on a continuous needs assessment together with the Digital Media Pioneers, a network of 16 media startups from developing and emerging countries.

When we identified the need for this handbook, we realized that existing publications for media entrepreneurs were of-

ten limited to anecdotes from specific regions. There are some useful English-language handbooks available for media entrepreneurs. However, a lot of these books are limited to perspectives and challenges in the Global North. What we were missing was a practical guide for digital media startups from the Global South that have many more barriers and challenges to overcome in order to provide unbiased, quality journalistic content to their audiences, thereby contributing to social change and democratization in their countries and regions.

We tried to fill these gaps by providing a cross-regional study, which is more than a collection of case studies. Our aim is to provide an analysis of best and bad practices and to package these lessons learned as “worst practices” that are easy to digest for you, en route from start to success, from vision to viability.

In the Annex we provide you with a range of helpful tools and resources. These include DW Akademie’s Media Viability Indicators (MVIs) and Viability Assessment Map (VAM 360°) as well as a list of recommended readings for media entrepreneurs.

All in all, this practice-oriented handbook aims to provide both inspiration and strategic guidance to digital media startups around the globe.

## Digital Media Pioneers Network

DW Akademie, in cooperation with GIZ (German Corporation for International Cooperation), brought together 16 carefully-selected media entrepreneurs from all over the world to be inspired by the diversity of shared experiences. Calling themselves “Digital Media Pioneers” they explored and gained insights from the challenges other innovative media entrepreneurs face, and they developed new approaches and solutions for media viability between 2018 and 2020.

Within the framework of the project “Governance. Media.Innovation”, DW Akademie offered two physical meet-ups in Kiev and Hamburg, a digital meet-up as well as one-on-one virtual consultancies working on individual weak points such as revenue streams, fundraising, management, organizational structure, audience engagement and membership campaigns.

Part of the project was a series of seven webinars about hate speech & mental health, metrics and KPIs, safety for journalists, non-violent communication, remote work, virtual consultancy and virtual workshops. All of them have been recorded, are uploaded on YouTube and are linked at our special dossier at #mediadev.

More information: [🌐 dw.com/en/dw-akademie/innovation-for-media-development-digital-security-data-journalism-and-media-viability/s-53266437](https://www.dw.com/en/dw-akademie/innovation-for-media-development-digital-security-data-journalism-and-media-viability/s-53266437)

**Disclaimer:** We conducted all the interviews for this handbook between January and March 2020. Some of the startups that were included may have changed their business models due to the COVID-19 pandemic. Unfortunately, due to our publishing deadline, we were unable to interview all the startups again to ask them how their media organizations were dealing with the crisis. The editorial team appreciates your understanding.



**Eira Martens-Edwards** has been working as a research associate and project manager at DW Akademie since 2011. She was previously involved with a wide range of international development agencies and civil society organizations in the fields of journalism education, youth engagement and media development in Central America, Southeast Asia, Australia and Germany. Eira holds a master’s degree in Social and Economic Sciences and International Media Studies. She is also an academic lecturer and researcher in media and communication sciences.

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## II. Chapter 1

# Getting started

by Hanan Sulaiman



**Lina Attalah** (Mada Masr): Cofounder and chief editor of *Mada Masr*, Egypt. Previously, she worked for *Reuters*, *Cairo Times*, *The Daily Star* and *Egypt Independent*, where she was the managing editor. *Time* magazine recognized her as a “New Generation Leader”, calling her the “Muckraker of the Arab World”. She has also been included in *Arabian Business* magazine's 100 most powerful Arab women list. She studied journalism at the American University in Cairo.

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**Alia Ibrahim** (Daraj): Cofounder and CEO of *Daraj Media*, Lebanon. Previously, she was a senior correspondent at *Al Arabiya* news channel. Since 2015 she has produced and directed investigative reports for the network's Special Mission program. She has published stories and opinion pieces in a number of publications including *The Washington Post*, where she was a contributing reporter between 2005 and 2011.

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**Kareem Sakka** (*Raseef22*): *Raseef22* publisher, Lebanon. Sakka comes from a finance background, where he gained expertise in risk management and corporate and project financing. After years in real estate advisory and asset management, Sakka was inspired by the Arab Spring. In 2013 his desire to support the democratic transition, freedom and human rights led him to launch *Raseef22*, run by two co-editors with journalism experience.

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**Amr Eleraqi** (*Infotimes*): Cofounder, CEO and director of development and innovation at *Infotimes*, Egypt. Previously, he worked for MBC and Yahoo. Through *Infotimes*, he laid the groundwork for data journalism in the Arab world, as he authored the first book on data journalism and sponsored an annual regional conference. He works as a data journalism trainer and launched the first data journalism diploma.

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**Ramsey Tesdell** (*Sowt*): Executive director of *Sowt*, Jordan. He is on the advisory board for the *Google* Podcast Creators program and is a founder of *Tiber*, another Jordanian media organization. He has worked extensively in the Arab world with youth, media and journalism outlets. In the past, Ramsey has secured and managed many large multi-year projects.

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**Rana Sabbagh** (*ARIJ*): Executive director of *ARIJ* for 14 years (2005–2019), Jordan. Before that, Sabbagh was the Jordan correspondent and Gulf Editor for *Thomson Reuters*. She also led the *Jordan Times*, becoming the first Arab female editor-in-chief to run a daily political newspaper. Currently she is the MENA investigations editor at the *Organized Crime and Corruption Reporting Project (OCCRP)*.

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Starting a journalism operation is a risky and courageous proposition at the best of times. Starting one in a country plagued by economic and political instability—where the government’s willingness to tolerate a free press can change overnight—is a whole different matter. A group of courageous and determined journalists in the Middle East and North Africa (MENA) region have embraced the challenge. They have taken advantage of opportunities presented by new technologies to reach audiences across the region that are hungry for independent, rigorous journalism.

This first chapter looks at six groundbreaking digital media startups in Egypt, Jordan and Lebanon, and asks what challenges they faced getting their enterprises off the ground. The chapter focuses on three key areas: revenue streams, audience engagement and donors’ motives.



The website of *Daraj* is available in Arabic and English.

Even for a region that has experienced long-term instability, the last decade has been particularly challenging in the Middle East and North Africa. The Arab Spring of 2011 and subsequent conflicts across the region have displaced millions of people and sent economies into turmoil. Journalists have borne the brunt of the strife with nearly 300 journalists and media workers killed since 2011, according to the Committee to Protect Journalists (CPJ).

**The chapter focuses on three key areas: revenue streams, audience engagement and donors’ motives.**

The upheaval has made it particularly challenging for new digital startups to monetize products and services in the ways that have worked in more stable markets. As in other regions, online audiences in MENA are younger, generally under 45, and used to receiving online content for free. The blow to the region’s economies has left younger audiences unable to pay for online content even if they wanted to.

Yet many media organizations have been able to survive with innovative, technology-driven approaches. They have grown as Arab audiences have sought independent journalism, especially investigative journalism, hoping to learn the truth about what is happening in the region. To find out how media startups were founded and what challenges they have faced, we interviewed six companies in MENA: the investigative website *Mada Masr*, the data pioneers of *Infotimes*, the investigative team at *ARIJ*, the podcasting network *Sowt*, the pan-Arabic website *Daraj*, and *Raseef22* which was created in exile.

## 1. Start phase: An idea becomes a reality

*Mada Masr* started in Egypt in June 2013 in the wake of the Arab Spring. A team of 24 journalists, mostly women, wanted to continue producing independent journalism after government pressure shut down their newspaper. *Mada Masr*’s edge lies in providing “analytical, informational coverage—specifically in politics—that nobody else provides,” according to co-founder and chief editor Lina Attalah.

The journalists started *Mada Masr* in the hope of continuing the independent journalism they had been doing. On the day of their launch, mass protests erupted against former President Mohammed Morsi. Within a year his successor Abdel Fattah al-Sisi was elected and began a crackdown on political freedom. The implications for *Mada Masr* were swift. One of their journalists, Hossam Bahgat, was banned from travel. Then he was taken into custody and held for two days of questioning by military intelligence.

The team continued to report stories that challenged the authorities. One story exposed the role of Sisi’s son, Mahmoud al-Sisi, in violent crackdowns on protesters. It was followed by a raid on *Mada Masr*’s office and the detention of some of the reporters. In 2017 the platform was blocked in Egypt. Eventually *Mada Masr* turned to the US-based Tor network, a browser that can’t be blocked, to host the site. Since then, Egypt has become one of the world’s biggest jailers of journalists, according to the non-government organization Reporters Sans Frontières. A 2018 law requiring media outlets to buy a permit for US\$37,000, has made it almost impossible for new independent media to emerge.

All this turmoil made it difficult for the team to focus on the business. At first *Mada Masr*’s main revenue stream was editorial services (editing, translation, video, design and marketing) alongside public events with journalists and newsmakers. They also sold *Mada Masr* branded merchandise. The team made use of their extensive personal networks to win consultancy work for the business.

*Mada Masr* experimented with advertisements for small businesses and initiatives, but when the site was blocked in

Egypt it immediately became unattractive to advertisers. In this way, government harassment forced a major rethink of *Mada Masr*'s business plans. At the same time the government shutdown gave the site an unexpected boost. The notoriety it received drove up its engagement on various social media channels, especially *Facebook*, its main traffic driver.

Meanwhile *Mada Masr*'s courageous journalism attracted the support of international donors keen to empower democratic activists in the wake of the Arab Spring. That too was a difficult road as Egyptian governments cracked down on this support, which they saw as threatening their regime. In an effort to become more independent of international funding, the organization started a membership program.

Another Egyptian startup, *Infotimes*, has taken a different path to financial viability—one that has given the staff some protection from government harassment. Rather than publishing its journalism itself and relying on advertising or subscriptions for revenue, *Infotimes* sells data mining, analysis, data visualizations and training to other organizations. Their clients include media, nongovernment and research organizations—as well as students.

*Infotimes*, like *Arab Reporters for Investigative Journalism (ARIJ)*, was a pioneer in data journalism and visualization in the Arab world. It launched in 2013 after its founder and executive director Amr Eleraqi attended an International Center for Journalists boot camp on digital storytelling. Initially, Eleraqi had no startup funds, so he had to work his personal networks for clients and funding. In the first year he won only two media clients. But in 2014 a social entrepreneurship grant from the Synergos Foundation gave the business some room to breathe. Since then it has kept a close eye on clients' evolving needs, developing tools and services.

After a while training became the main revenue stream for *Infotimes*. The team has been hired by media houses to run in-house workshops and has also offered separate classes for individual journalists independent of their media organizations. In 2020 *Infotimes* launched the first data journalism diploma: a four-month, non-accredited course in a field that is not yet offered by universities. Eleraqi was joined by two new partners to run the business and the daily workflow, enabling him to focus on technology and innovation, training products, curriculum and manuals.

As it now operates in different fields, the Egyptian startup is splitting the business into three separate units. *Infotimes* Stories will serve journalism to businesses and individuals that pay a subscription fee; *Infotimes* for Business will offer data services; the third unit will offer training to journalists who want to develop data journalism and visualization skills. The team is considering taking its success beyond the MENA region to become a global data news agency. Having worked

with several international organizations, it has also developed an English version of the website.



*ARIJ* is the leading organization in MENA for training investigative reporters.

The *Arab Reporters for Investigative Journalism (ARIJ)* work in English and Arabic. The project was founded in Jordan in 2005 and supplies Arab and international Arabic-speaking media with grant-funded investigative stories in print, digital and video. At the same time, it provides clients with services such as in-depth workshops about investigative research. This training, the annual *ARIJ Forum* conference with about 500 attendees, and reporting collaborations are its main revenue streams.

### ARIJ Annual Forum

*ARIJ's* Annual Forum is the Arab world's oldest and largest gathering for investigative journalists and supporters of independent media. The 2020 Forum on the topic "Connecting the World" will be the first entirely virtual Forum, held on December 4–6, 2020. It is an opportunity to train and equip journalists to serve as society's watchdogs—supporting democracy, transparency and the rule of law in one of the world's most autocratic regions. It is a chance to network and share knowledge with leaders of Arab and global investigative journalism movements. More than 1,000 participants and over 100 online speakers are expected.

More information: [arij20.arij.net](https://arij20.arij.net)

*ARIJ* has been exploring the possibility of monetizing the data, video and reporting in its archive, but this poses various challenges, said Rana Sabbagh, founder and former executive director. She is proud that *ARIJ* has been creating and promoting a culture of investigative journalism in MENA

for the past 15 years. During this period, *ARIJ* has produced 600 investigations by journalists, who are the “real asset”, according to Sabbagh. In 2006 *ARIJ* had an annual budget of US\$250,000. Today it has a US\$1.6-million budget and operates in 16 MENA countries.

They pioneered the investigative scene with their footprint publication “Story-based inquiry: a manual for investigative journalists,” which was supported by UNESCO. It is the first investigative reporting manual in Arabic and has become a staple of investigative reporting training in the region. The book has been translated into 16 languages and taught abroad in countries such as Russia, China, Myanmar and Mongolia.

One of *ARIJ*'s biggest challenges has been finding reliable media houses to partner with, according to Sabbagh. “Major TV stations in the Arab world are just propaganda tools and unless we have a say in the final draft, we won't partner,” Sabbagh said. “We measure each story on three factors: importance, relevance to public opinion and accessibility to sources. As it is very difficult to obtain data in the Arab world, we look for open source information.”

*ARIJ* lost a number of Arab media partners as a wave of authoritarianism swept the region in the years after the Arab Spring. In 2016, an investigation with the BBC on the mistreatment of Central Security Forces soldiers by their leaders—which led to some deaths—endangered *ARIJ* contributors and partners in Egypt, *ARIJ*'s biggest market. The organization was accused of undermining security in the country and was blacklisted. “The media landscape was closing down on us,” Sabbagh recalled. *ARIJ* was forced to partner with foreign media outlets that would publish its work.

The organization has frequently debated whether to become a platform itself but has decided to remain loyal to its core mission as a training center. “Becoming a publisher requires a business plan, a lot of funding, and it is not our main reason for existence,” Sabbagh said. Today the operation is sustained by partnerships with international investigative newsrooms such as the Organized Crime and Corruption Reporting Project (OCCRP) and foreign television. At the end of 2019 Sabbagh left *ARIJ* to become the Middle East and North Africa editor for OCCRP, based at its headquarters in Sarajevo.

For *Sowt* (“voice”), another Jordanian startup, the business strategy has been to strike out in a format that is new to the region. Ramsey Tesdell, the executive director, said *Sowt* is taking the Arab tradition of oral storytelling and reinventing it with podcasts. Tesdell is a cofounder of 7iber, a celebrated Jordanian media startup that began as a volunteer-based citizen media organization, and he has brought lessons from that experience to *Sowt*.

It started with grants in 2016 and is increasingly diversifying its revenue streams, “slowly adding commercial client contracts, and now we're funded by about half-half, growing and diversifying content and revenue,” according to Tesdell. At the beginning, podcasts were an unfamiliar concept, so they focused on brands that were already established. That helped *Sowt* to plant the idea of podcasts in the minds of a bigger range of clients from the outset.



*Sowt* has produced 14 brand-new podcasts since 2016.

*Sowt* produces “white” and “gray” label podcasts that clients can rebrand as their own—or commercial brands, media organizations, local NGOs and international organizations. *Sowt* also offers non-podcast services in publishing and social media. Early on, the team hired a financial advisor for three months to help consolidate the core business and create a business strategy that gives them more revenue stream choices as they grow. “The idea is to plant a money tree, and so whenever we need money, we just pick a leaf,” Tesdell explained.

## KEY LEARNINGS OF SOWT

- Be shameless and ask for what you need from the very beginning
- Produce as much good content as you can
- Audiences will follow quality content
- Be extremely disciplined in what you do

With this strategy as a base, the startup has grown quickly since its launch, increasing from two staff to 30. In three years it has produced 14 podcast series targeting a community that is interested in changing power structures. All have been nar-



rative-driven storytelling in Arabic and are available on podcast platforms like *Spotify* and *Apple iTunes*. English podcasts are produced as well, for Arabs who prefer to listen in English and for expats. As *Sowt* works on seasonal production cycles, traffic tends to rise upon release of each product. And *Sowt* cooperates with civil society and advocacy organizations that want to produce shows around specific issues.

While *Infotimes* has relied heavily on training services to bring in revenue, *Sowt* has avoided it from the beginning. “Training can be a good revenue source but it also consumes a lot of time. We ask for really high rates and if clients are willing to pay, we do it, otherwise no,” Tesdell said. While many media brands now produce their own podcasts, *Daraj*, based in Lebanon, does not.



Alia Ibrahim (left) is one of the three founders of *Daraj*.

*Daraj* is a pan-Arab website launched by veteran journalists Alia Ibrahim, Hazem Alamin and Diana Makled in 2017. Working under the slogan “the third story”, *Daraj* (“stairs”) provides its audiences mostly with deeply-reported long-form stories. The three founders had previously worked for *Al Arabiya* TV channel and *Al-Hayat* newspaper before its closure. For getting initial funding, they turned to venture capital groups.

The team worked hard on a pitch deck, business strategy and feasibility study, and CEO Alia Ibrahim pitched it to Venture Capital (VC) funds in Dubai. She struggled to convince VCs that independent journalism was commercially viable in a region with heavy political suppression. Investors also feared the effects of a backlash against their other business interests if *Daraj*’s journalism criticized powerful political and business interests.

To launch, *Daraj* used three core funding grants from International Media Support (IMS), European Endowment for Democracy and the Open Society Foundation. Few startups are able to access international grant opportunities like these. *Daraj* succeeded because its three founders were highly respected and had deep networks. Additionally, the team raised money with a

documentary series “The 5th Generation”, which they sold to a production company to be broadcast on *Al Arabiya* TV.

Making *Daraj* commercially viable is a key priority for Ibrahim. She continues to refine the business and discuss potential investments with VCs. Part of Ibrahim’s overall strategy is to build a business that will attract investors from outside the MENA region in the hope of avoiding the political pressures MENA-based investors can face. The website publishes six to eight pieces per day, with monthly total visits exceeding 150,000.

*Daraj*’s target audiences are Arabic speakers across the Arab world aged between 25 and 45. Its success has come most of all because of its strong editorial independence. Ibrahim explained that only one reporter covered the protests in Algeria in early 2019 for them, and their audience there grew rapidly. It says a lot about “the hunger people feel for independent sources of information,” she said.

For *Daraj*, another new revenue stream has been the management of a collaborative content project funded by their Danish donor, International Media Support. *Daraj*’s role is to coordinate a range of innovative content-creators who offer solutions to water problems. The partners include a media organization that produces explainers, a satire website, a gaming company, a schoolteacher, a photo essayist and an animation specialist. The pilot of the three-year project was grant-funded, but Alia Ibrahim said they’re approaching companies interested in environmental advocacy for long-term funding alongside donors.

## KEY LEARNINGS OF DARAJ

- Be willing to remove the journalist hat and wear the business hat
- Anything you're good at, monetize. Anything you're not good at, outsource
- Test and learn, test and learn, test and learn
- Implement a proper social media strategy (for each platform)

The sixth startup we interviewed for this handbook in MENA is *Raseef22*, launched in 2013. Originally from the Palestinian diaspora in Lebanon, founder Kareem Sakka was based in the United Kingdom when the Arab Spring unfolded. Sakka saw the website as providing support to a transition to democracy, freedom and human rights in the region.

Despite the disappointments of the Arab Spring for democracy advocates, the site has grown. Today Sakka's 20 staff members work in a "virtual newsroom" from their homes in countries around the world. The platform produces 15 mostly long-form content pieces per day. "We don't do news but mostly 'evergreen' stories that live forever," said co-editor Rasha Hilwi. "We aspire to be the platform for every young Arab, no matter what interests he or she has, to be the go-to source, and the challenge is not to find this content elsewhere."

## 2. Funding and revenue streams

The first port of call for startups with new ideas is often a source of funding, and the startups in this handbook are no different. Indeed, donor funding was more readily available to MENA media houses in the decade during which most of these startups launched. The Arab Spring brought a flood of interest from international donors keen to take the opportunity to boost what appeared to be the start of serious democratic revolutions in the region. Independent journalism was seen as a key part of the mix.

### KEY LEARNINGS OF ARIJ

- Try to foresee and mitigate obstacles that may block or sabotage your mission
- Growing something is very difficult but breaking it is very easy
- Lower the outputs you promise to donors, because investigative journalism takes time
- Be firm with your staff and be willing to let go of staff who don't perform

Unlike in other regions that were not going through such dramatic political upheavals, increased donor funding in the MENA region was likely the impetus for a number of online startups that sprouted in this period. When the hopes of the Arab Spring fizzled and the region relapsed into conflict, European donors scrambled to fund efforts for the millions of refugees leaving their homes. Donors and startups encountered a range of challenges, some specific to the region, and others typical of the experience of media grantees the world over.

"We cannot depend on grants to scale," said Alia Ibrahim, CEO of *Daraj*, in spite of the fact that, of all the platforms interviewed for this chapter, *Daraj* was one of the most successful

in attracting startup donor support. In order to be transparent, *Daraj* has decided to publish the names of funders on its website. Funding from Western donors can also undermine the impact of media organizations, as their reporting can be seen as a tool of US or European foreign policy. At the same time, it can create a perception of bias.

**In order to be transparent, *Daraj* has decided to publish the names of funders on its website.**

This is why *Daraj* is working hard to move away from donor funds. "Real independence is in real financial independence," Ibrahim said. "We cannot say we're totally independent today because we're run on donations, and if they stop, we will have to shut down." The perception of Western influence has been a challenge for *ARIJ*, too. "It is very difficult to work if you have a question mark on your donors," said Sabbagh. *ARIJ* chooses donors carefully, taking funding from donors in countries with better reputations in the region, such as Denmark. "We were privileged to receive funding from several European countries that have the best scores in anti-corruption and human rights."

*ARIJ*'s ability to choose between donors comes from having a strong track record that has given it clout in negotiations. Its strong relationships have also allowed donor and recipient to find creative ways to overcome challenges posed by the regimes in the region. For example, *ARIJ* established a nonprofit arm outside the Arab region, in Denmark, which allows it to attract funding from donors that require recipients to be nonprofits.



**Sowt organizes regular community gatherings in different locations.**

This also helps journalists' sources to supply the organization with information knowing that they are backed by the greater protections offered by whistleblower laws in Europe. "We can then put up a button that says 'leak to *ARIJ*' and another for donations, so we can still operate if they make our lives hell at home," Sabbagh said. In places such as Egypt, accepting any kind of foreign funding at all has become dangerous. Under



At the newsroom of *Sowt*, Ramsey Tesdell (right) works with agile methods like design thinking.

Abdel Fattah al-Sisi, president since 2014, many international NGOs were expelled from the country. Taking international money also put local organizations under threat.

Donors also often come with their own agenda to increase coverage of a topic that is important to them, such as women's rights, agricultural development or good governance. By using journalism to promote coverage of certain topics, foundations can set the news agenda, prioritizing their issues over others that might be more important to a media organization's audience. In this way they determine the problems that should be raised in public discourse and that governments are pressured to fix, according to Anya Schiffrin in her 2017 publication "Same Beds, Different Dreams? Charitable Foundations and Newsroom Independence in the Global South."

### The digital startups in the MENA region were born into a paradox.

In some cases, however, donor funding remains the only viable option. In Syria, for example, the ongoing war means there are few other viable revenue streams. In a 2016 Middle East Institute (MEI) study, Antoun Issa argued that donors should be prepared to finance grantees until a peace agreement has been reached. Thirteen Syrian media outlets received US funding between 2011 and 2016.

According to the Center for International Media Assistance (CIMA), an affiliate of the US National Endowment for Democ-

racy, the top five priorities for worldwide donors in 2017 were: investigative journalism, access to information, journalist training, freedom of information and direct assistance to media outlets. These priorities emerged from an annual voluntary survey that CIMA sent to specific undisclosed media development donors. All of the numbers are self-reported, and inclusion is based on the donor's willingness to participate.

The digital startups in the MENA region were born into a paradox. They were given life by the Internet, but the Internet also took away the advertising revenue that had sustained the quality journalism that came before them. Like media organizations around the world, MENA's digital startups have few opportunities to make money in digital markets dominated by giant platforms such as *Google* and *Facebook*.

Globally, *Google* continues to be the most important traffic source for news media companies, accounting for two out of every three page views among the leading global technology companies. *Google's* dominance in the digital news ecosystem is shared between search and news delivery vehicles, of which the most prominent is *Google News*, delivering a third of all *Google* page views. The tendency of independent journalism sites to write critically of governments and other powerful players makes traditional advertisers cautious of backing them for fear of a backlash. Angry politicians can penalize advertisers that patronize media criticizing them.

All independent media platforms in MENA face one particular challenge, Kareem Sakka explained. There are three advertising

agencies in Dubai, Saudi and Egypt that monopolize the ad market in the region with big brands like *Colgate* and *BMW* as clients. All of them are linked to the ruling regimes in each country in one way or another. “They won’t give us any advertisements, no matter how big our audience is or how much traffic we get,” Sakka said. *Raseef22*’s monthly operating budget is around US\$80,000. Advertisements bring in only around US\$2,000.

In a 2019 report for the London School of Economics entitled, “A fragmented landscape: barriers to independent media in Iraq,” author Aida Al Kaisy said that revenue from advertising and commercial projects in Iraq is almost nonexistent. The majority of funding comes from mobile phone operators or government-controlled public advertising and newsmakers use advertising payments to influence media coverage. According to Al Kaisy, this has led to corruption in the region’s traditional news media organizations in the region, ensuring that there is no coverage that is critical of the government or that gives a voice to opposition claims.



Digital Media Viability Lab (DMV Lab) is an initiative of the Maharat Foundation, Lebanon, supported by DW Akademie. DMV Lab has been operating since 2016 and now aims to be a leading provider of services, knowledge and exchange on media viability in the Arab region. The goal is to foster diverse, independent and viable quality journalism in societies with engaged and informed citizens. DMV Lab organizes training, offers consulting services, runs events and carries out research on topics related to media viability, including financial sustainability. It also aims to help integrate media viability topics into journalism education.

More information: [🌐 digitalmediaviability.com](https://www.digitalmediaviability.com)

### 3. Members and community building

Digital platforms have changed the way people everywhere get their news, including in the MENA region. The proportion of MENA citizens who get news from their smartphone has risen since 2017 in every country but Tunisia, according to the 2019 Press Trends report by the World Association of Newspapers and News Publishers (WAN-IFRA). This increase is largely connected with social media use. More Arab nationals get news on *Facebook* (42 percent), *WhatsApp* (30 percent), and *YouTube* (24 percent) than from any other major social media platforms.

Most of the startups we interviewed have worked hard to learn and adapt in order to find ways to use the digital platforms to build their audiences and monetize their content. To be successful, they learned that building an audience or a “community” of people who engage regularly with their content through social media is essential in order to get them to pay for content and other products and services, including public events. One of the first lessons these publishers learned was: Building a solid readership does not happen overnight. True engagement from an audience takes time.

*Mada Masr*’s audience has developed over time. In the beginning it came from a traditional circle that shared their political views. The audience has since expanded to readers outside their bubble. They regularly attract Egyptian expats and foreigners through their English version. But the key is not just to attract new visitors to the website, but to engage them, according to editor-in-chief Lina Attalah.

“Audience engagement and not only audience development is a key metric for success, and this is a long-term investment,” she said. The team communicates closely with its audience through a range of channels, mostly social media. “We feel responsible towards our readers. We speak to them and we do a yearly self-critique, exposing and sharing our vulnerabilities with them. We get closer and allow people to know us.”

*Mada Masr* has tried holding public events but while they’ve been “a fantastic marketing exercise for potential clients, readers and members, they are not a good revenue stream.” So, the organization began a membership program in 2018. The program faces unique challenges, but it has been successful enough to become the second largest revenue stream after editorial services building on their loyal and growing audience. The team would like to grow memberships even further, but the restrictive environment in Egypt has made this a challenge.

The website promises supporters that their data is safe and contributions can be anonymous. But many readers are afraid to provide their personal data in case the authorities discover that they are supporters of *Mada Masr*. The political atmosphere has an influence over the monetization efforts, according to Attalah. “It allows you to do some things and doesn’t allow for others.” Membership funding has its own limitations. The team does not want a 100 percent membership-funded model, because it would give those members the ability to change the editorial direction of the publication.

Another way might be a paywall that could be introduced after a platform has become widely known. Kareem Sakka, founder of *Raseef22*, said: “It just has to be done after people know us well so they become members. It will eventually work.” For the Jordanian startup *Sowt*, community-building was not difficult. Founder Tesdell had helped build a broad



community over ten years with *Tiber*, through offline events and an associated cafe. He is a big believer in building connections with the audience through personal interactions such as events. “Getting people physically together is a good way to build the community,” he said.

““ It just has to be done after people know us well so they become members. It will eventually work.

**Kareem Sakka**

*Sowt* has also made the smart use of social media advertising tools a key part of its strategy for engagement. Each of the 14 podcasts that *Sowt* has produced is treated as a separate product. The team uses social media data to target the audience that might be most interested in the podcast based on age, country and interests. It maintains a broad social media presence on the most popular platforms in addition to *WhatsApp* and *Telegram*. Most engagement comes from *Twitter*.

Another effective strategy for driving audience growth has been timing its advertisements in the morning, when people are commuting or traveling and have time to fill. It can also geo-target airports in the region so that *Sowt* advertisements appear to users who are scrolling their *Facebook* feed as they are waiting for their flight. “We can get more sophisticated with publishing,” Tesdell explained.

Many of the startups interviewed for this chapter have begun to experiment with membership models—a trend that has swept media businesses across the world. The pan-Arab platform *Raseef22*, with a virtual newsroom targeting the 22 Arab countries, has tried asking readers for voluntary contributions. *Raseef22* implemented a “Support Free Press” banner on the website, asking readers for financial contributions as low as US\$5. It’s not a lot so far, but support is building. “We do get hundreds of dollars from a bunch of people who believe in what we’re doing,” said publisher Sakka.

Maximizing the efficiency of the website has been key for the *Sowt* team, which revamped its website to maximize Search Engine Optimization (SEO). Some of its most popular podcasts such as “Domtak”, on Arabic music, usually have between 10,000 and 15,000 listeners per episode, with some going as high as 80,000 per episode.

For *Mada Masr*, improving the user experience (UX) was a priority before it was blocked in Egypt. They had planned to collaborate with *Inkyfada*, another media startup from Tunisia, to learn their storytelling tools and data visualizations. “We’re not the best when it comes to using web techniques,” said Attalah. The *Mada Masr* team has been careful to focus only on the technology that can actually help them.

They don’t have the resources for the top-of-the-line data visualization, video and open source tools that are reshaping the media in more established markets, for instance. Attalah said the team’s approach is finding ways “to utilize tools in a smart way to tell a compelling story. We don’t like to do things just because everybody else is doing it.”

## Collaboration is crucial

Independent media houses in MENA have joined forces under an umbrella group called the “The February Meet-up”. The annual event began in 2016 to help organizations work together to build their institutions, collaborate on content, find resources and develop business models in a peer-to-peer learning context. Some joint journalism and content projects and initiatives have been founded—or are in the making—as a result.

The alliance has decided to work together to pursue potential revenue streams—primarily in the form of grants, advertising and sponsorship, rather than competing. “We’re trying to sell ourselves as a collective power here,” Attalah said. “If we work together, we can compete against mainstream media over a much bigger cake, which is the ad money or sponsorships. We have better chances to survive this way,” added Ibrahim.



MEDIA LOVES TECH is an annual startup competition run by DW Akademie and Al Khatt, a Tunisian NGO. The project was born in 2018 and it is a response to the challenges of independent media and journalism in Tunisia, Morocco and Algeria. MEDIA LOVES TECH aims to find the best tech and media startups providing digital concepts and innovative solutions. It is open to journalists, entrepreneurs, project leaders, creatives, developers, designers, civil society and any other individuals or organizations that wish to innovate for a quality media landscape in the Maghreb countries. The competition takes place in three stages, giving all teams the possibility to obtain financing and acceleration support for the best concept and project. MEDIA LOVES TECH supports and makes use of the new technological spirit of crowdsourcing. To strengthen collaboration and teamwork, the participants must form teams composed of two to five people.

More information: [🌐 medialovestech.com](https://www.medialovestech.com)



The digital platform *Raseef22* targets the 22 Arab countries.

Attalah warned that fruitful collaborations must be built by the media houses themselves and not imposed by outsiders, including donors. Collaborations need to be “embedded within our operations, not as an additional layer” that requires resources and extra effort on the part of the media organization’s overstretched staff.

In one successful collaboration, *Mada Masr* and *Sowt*, together with *Tiber* and *AlJumhuriya*, another MENA startup, ran a year-long free program with the *Counter Academy for Arab Journalism* organizing educational camps and remote learning. The topics covered included Arab journalism in a historical context, use of tools such as video, audio and digital tools, and good field reporting.

### Build – measure – learn

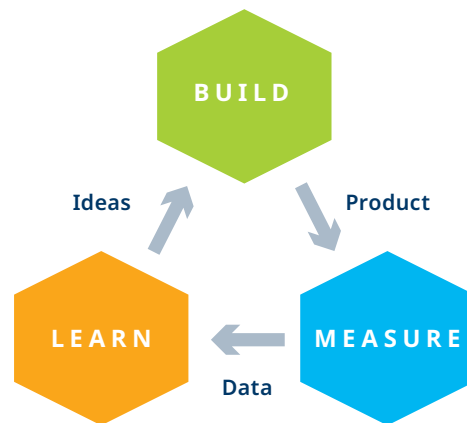
The six media startups interviewed for this chapter are Arab Spring projects in spirit. They reflect the days of hope and positivity in the wake of the pro-democracy uprisings that spread across the region in 2011. Despite the backlash that followed, the movement boosted commitments within the region and internationally to back independent voices. That work must be strengthened in the future in order to consolidate the democratic desires of MENA citizens and give them the tools to resist a return to authoritarianism.

Alternative revenue streams such as crowdfunding, membership models, paywalls and events may not work well in the low-income countries of MENA unless startups can better target the relatively wealthy diaspora. In more developed markets, these revenue streams may prove viable in the years to come. All interviewees confirmed a substantial demand for quality independent journalism in the region. The million dollar question is how to convert these audiences into paying customers.

There are initiatives like the “Beirut Editors Lab”, established in 2018, which brought together media innovators to develop fresh journalism prototypes. In early 2020 the *Texas Tribune*

created its first revenue and training lab to experiment with innovative ways to fund local news, model best practices aimed at benefiting the entire ecosystem, and mentor and coach dozens of potential peers. This might be a role model not only for MENA but also for other countries and regions.

Most important for viable media organizations is the ability to experiment and to learn from failure. Media outlets around the world are learning that there is no blueprint for economic sustainability to support rigorous independent journalism. The formula will be different for each team and each market, and it will change over time. What’s most important now is that MENA’s independent media startups be given the chance to learn, adapt and strive to find the formula that is right for them and their audiences. Eric Ries’ lean startup principle for creating innovation has been a helpful model for many media entrepreneurs looking at how to build, measure and learn.



**Hanan Sulaiman** is a freelance journalist, trainer, researcher, translator and consultant. In 2012 she founded Mandara as a local platform for Upper Egypt, taking the editorial and fundraising lead with contributions to business development. She has been listed among the 100 most powerful Arab women by *Arabian Business* magazine. For the past decade she has been extensively researching and writing about entrepreneurship for a number of media organizations. She studied Entrepreneurial Journalism at The City University of New York and holds a bachelor’s degree in mass communication from Cairo University.

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## COMMON CHARACTERISTICS OF MENA MEDIA MARKETS

- 01 Demand for quality content skyrocketed in the aftermath of the Arab Spring, as audiences sought to get beyond the misinformation and propaganda that dominated state-controlled and state-influenced media.
- 02 Ventures often started with a global trend such as data, podcasting or fact-checking.
- 03 Finding the right team can pose a challenge or take time, especially when technical skills are required.
- 04 High-quality journalism is expensive in terms of resources but also because of the higher security costs incurred in an atmosphere of repression, corruption and political polarization.
- 05 Journalist-founders often lack necessary business skills. They lose time learning the skills themselves or finding the right person to institute a business plan. Most projects were started out of a sense of responsibility to bring the truth to audiences and to hold leaders accountable, but they rarely had a long-term business plan.
- 06 Startups in the MENA region depend heavily on donor funding, mostly European, for initial funding, and sometimes also on personal funds.
- 07 Platforms are mostly registered as for-profit companies to evade government interventions imposed on nonprofits, which require government approval before accepting foreign funds.
- 08 For-profit status limits the international donor funding available to startups, as some donors prohibit grantees from engaging in commercial activity.
- 09 Startups that focus on serving content to a niche audience are able to succeed in building a community, but it can be difficult to monetize these communities because of structural problems in MENA markets.
- 10 Startups that serve content to other businesses (B2B) rather than publishing on their own are sometimes more successful because their clients have more resources and lower recurring expenses than media organizations.



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Egyptian media startup *Infotimes* is a pioneer in data journalism in the Arab world.

## III. Chapter 2

# Structure and growth by Kirsten Han, Pauline Tillmann



**Sonny Swe** (Frontier Myanmar): Sonny is a pioneer in the Myanmar media industry with more than 20 years' experience. In 2000, he cofounded *The Myanmar Times*—the first Myanmar-foreign joint venture in Myanmar's media industry—and is also a former CEO of the Mizzima Media Group, which published a daily newspaper, a weekly English magazine and news websites. Since 2015 he has been the publisher of *Frontier Myanmar*.

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**Devi Asmarani** (Magdalene): Devi Asmarani is the editor-in-chief and cofounder of the feminist web magazine *Magdalene*. Her 22 years' experience in journalism began at *The Jakarta Post*, followed by *The Straits Times* in Singapore, where she wrote news reports, in-depth articles and analyses. For the past nine years she has worked as a consultant and written columns, articles, and essays, as well as works of fiction for various local and international publications.

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**Pongpan Chumjai (Prachatai):** Executive director of the Foundation for Community Educational Media (FCEM). FCEM oversees *Prachatai*, a Thailand-based online news site. In 2006, he started his career as a freelance journalist with *Prachatai*, covering topics related to northern Thailand, and joined the editorial staff in 2007. In his new position as FCEM director since 2019, he aims to sustain the organization through both policy and management.

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**Tom Grundy (Hong Kong Free Press):** Tom Grundy is the editor-in-chief and cofounder of *Hong Kong Free Press*, a nonprofit, independent news source for the region. Run by journalists and backed by the public, it was founded in 2015 as a direct response to declining press freedom and is now the number two English outlet on Hong Kong social media.

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**Sherry Lee (The Reporter):** Sherry Hsueh-Li Lee is the editor-in-chief of *The Reporter*. She endeavors to explore new possibilities of Taiwanese media and to facilitate more cross-border collaborations in investigative journalism. She was the deputy managing editor and chief producer of Commonwealth media group's media center, and had worked there for more than 15 years before joining *The Reporter*, Taiwan's first nonprofit media organization.

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**Maria Ressa (Rappler):** Cofounder, executive director and CEO of *Rappler*, the digital-only news site that is holding the line and leading the fight for press freedom in the Philippines. Maria has endured constant political harassment and multiple arrests from President Rodrigo Duterte's government. Before founding *Rappler*, Maria focused on investigating terrorism in Southeast Asia. She opened and ran CNN's Manila bureau for a decade before opening the network's Jakarta bureau.

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Starting a new media outlet is an exciting endeavor: the spark of an idea, the planning, the dreams of all that the project could become. But what happens after you press “publish” for the first time? The challenge then is to turn an exciting idea into a sustainable institution that can outlast the passions of its founders. In this second chapter we will focus on this next phase.

What are the main challenges when your organization is growing? It will be important to consider how to diversify your revenue streams. In terms of organizational structure, you need to learn how to manage a larger team. And when it comes to your audience, the question will probably be how to increase reach, or how to create a sustainable membership model.

Financial planning, for example, is critical in order to manage unpredictable income. Donors may only give money for a certain time. A competitor might appear that takes your advertising revenue or audience share. This planning will be crucial in allowing you to hire the managing staff, the best reporters, data journalists and so on. It is vital to plan at least one year ahead, while managing financial growth in a way that supports the organization’s roadmap.

Most startups seek to run more professionally after the first couple of years. This means they need a solid structure for their organization. They need to think about finding the right staff for key positions such as Chief Technology Officer (CTO), Chief Financial Officer (CFO), social media manager, marketing and fundraising roles etc. As the team grows, it’s important to think about implementing measures that will build the team’s cohesiveness and encourage innovation in the organization.

When it comes to building a community or audience that will engage and consume your content, there are other questions to consider. Almost all startups would like their content to reach as many people as possible—but how do you do that? And how does an organization get to know its audience better? Many startups hold events to bring in their audience, in part to help them build a sense of loyalty and ownership of the media entity. Would events deliver benefits to your business? More and more media startups are considering membership or subscription models. What would work for your audience and business model?

To learn how media startups transition from first shoots into established, solid organizations, we spoke to seven companies in Asia: the crowdfunded *Hong Kong Free Press*, the investigative journalism platform *The Reporter* in Taiwan, the feminist website *Magdalene* in Indonesia, the investigative magazine *Frontier Myanmar*, the online newspaper *Prachatai* in Thailand, the famous *Rappler* in the Philippines and *Malaysiakini*, the oldest online news website in Southeast Asia.

## 1. Funding and revenue streams

For any media startup, the challenge of ensuring its financial health never goes away. *Hong Kong Free Press* is an independent English-language news website that emerged in the aftermath of the Umbrella Movement in 2015, the political protest that saw millions of Hong Kong citizens occupy public spaces to demand a range of democratic rights. “The Umbrella Movement sort of kicked off in Hong Kong, and as I learned more about what was going on with the media landscape here, I saw that there was a press freedom issue at play as well,” said Tom Grundy, founder and chief editor.



*Hong Kong Free Press* launched a crowdfunding campaign and raised US\$76,000.

“There was very little in terms of truly independent news, especially in English. So almost immediately after the streets were cleared in 2014, I set out to launch a crowdfunded news outlet.” Grundy had initially trained as a journalist but ended up working as a teacher for some time while running a popular blog called *HongWrong*. In 2014 he returned to journalism school at the University of Hong Kong, completing a master’s degree.

At that time, the idea of crowdfunding an entire news platform was unprecedented in Hong Kong, and people were skeptical. “I was warned at the time that you can’t keep going back to the well [for funding],” Grundy recalled. “But we ended up being the fastest-funded, largest-ever crowdfunding campaign of any kind in Hong Kong in 2015.” The aim had been to raise US\$19,000 to launch *Hong Kong Free Press*; that target was reached in just two days. They ended up receiving about US\$76,000.

Anyone who has ever tried crowdfunding knows how unreliable such voluntary donations can be, especially when there are so many digital publications and platforms competing for attention and money. To stand out against its competitors, *HKFP* adopted a two-pronged strategy.

First, make it as easy as possible for people to give money. *HKFP*'s website has an array of options to donate. Readers can donate by check, bank transfer, or even cryptocurrency. They can buy *HKFP* equipment, purchase merchandise, or earn money by shopping with sponsors. The website runs marketing campaigns reminding readers why independent news is important and needs their financial support.

"We've done many things to remind people to pay for news, in the same way that *Spotify* has reminded people or convinced people to pay for music, when they're used to getting it for free," Grundy says. "We need to highlight the value of news and the fact that it's expensive. It costs money."

**Building trust with an audience that *HKFP* relies on financially is essential, according to Grundy.**

The news site publishes transparency reports — that is, regular financial and performance reports — which provide the public with a clear account of how funds are used. "I think transparency (...) has been very important — especially with the level of distrust people have in institutions, let alone in Hong Kong, let alone in the media, in this whole era of fake news and Donald Trump. Particularly when you get accusations flying around about media funding. We want to be as transparent as we can, within the contracts that we have with content suppliers, to show where money is coming from and where it's going."

The second prong of *HKFP*'s strategy is never to spend beyond its means, even if this means limiting growth for the time being. As a small and lean organization, *HKFP* doesn't have a dedicated person overseeing the company's finances and committed solely to thinking about its business development. Instead, Grundy, as both founder and chief editor, has to take on this role. It's not an approach that he particularly recommends, but it's one that many new media startups are forced to adopt.

Grundy wants readers to feel that the site is using its funds well. "I'm just extremely careful to ensure that we punch above our weight in terms of our content, and what we are doing and producing," he said. That approach may make *HKFP* appear to be a more established institution than it actually is, but Grundy takes a conservative position when it comes to money.

"I will only spend or bring on new things that cost money when I'm sure that we can do it sustainably," he said. For example, Grundy held off on giving the staff pay increases even as donations were flooding in in response to the protests in Hong Kong starting in June 2019. Instead, he chose to give generous bonuses from month to month, until he'd had the time to take

a proper look at the finances and get a clearer picture of the amount of money that was flowing into *HKFP*.

## KEY LEARNINGS OF *HKFP*

- Build trust with your audience
- Never spend beyond your means, even if this means limiting growth
- Introduce new things when you can do so sustainably
- Monitor what others do successfully

It also means that *HKFP* can be slow when it comes to innovation. With the company's meager resources, Grundy isn't willing to plow money into experiments in video or blockchain. "We will only do things, including newsletters, podcasts or whatever, when we see it working for others," he said. For now, Grundy prefers to direct resources into the quality journalism that lies at the heart of the publication.

That's one way to run an independent media outlet. *Magdalene* in Indonesia has taken a different approach. Launched in 2013, *Magdalene* is a platform for women looking for different media fare. "The idea was that we provide a media platform that catered to women, but that is totally different from the usual women's kind of publication," says cofounder and editor-in-chief, Devi Asmarani.



*Magdalene* is a feminist web magazine founded in Jakarta, Indonesia.

"Usually media that targets women just revolves around beauty, fashion, lifestyle, celebrities," said Asmarani. "But we see that a lot of women want more issue-based media.

We see that the mainstream media that provides this kind of information still has a very masculine perspective.” To start things off, *Magdalene’s* three cofounders—Hera Diani and Karima Anjani, as well as Asmarani—put in their own money, keeping costs as low as possible.

### But they’ve since worked to diversify their income streams.

“We provide all kinds of services: content-writing, publishing, co-creation, video, and training,” said Asmarani. “We give training in writing, communication, basically everything. So, this is right now the biggest revenue generator. Then on top of that, this year we’re trying to boost our events, mostly from sponsorship. So, in 2020 we came up with some events that we are planning to find sponsorship for or to co-brand with other companies.”

Beyond that, *Magdalene* also makes a small amount of income from advertising and the sale of merchandise like stickers and T-shirts. The organization has also had some help along the way. In 2018 they received a grant from the Media Development Investment Fund (MDIF) to carry out a business assessment; the conclusion was that the company was still too small for MDIF to really invest in, but they were able to receive a grant to grow the business.

*Magdalene* got a smaller capacity-building grant to increase its activities, but Asmarani says they’re not counting on grants as a long-term option. Instead, she prefers to focus on thinking about diverse revenue streams that will reduce their reliance on single donors or funders.

## KEY LEARNINGS OF MAGDALENE

- At the start, keep costs as low as possible
- Think broad—experiment with different types of storytelling
- Diversify revenue streams in order to make yourself independent from funders

When it comes to big donations, *The Reporter* had an auspicious start. A Chinese-language long-form journalism website based in Taipei, Taiwan, *The Reporter* launched in December 2015 with a grant of US\$160,000 from T. H. Tung, cofounder of the electronics and hardware company Asus. To

manage the grant, the company set up a nonprofit arm, *The Reporter Foundation*.

Today *The Reporter* takes donations in three forms: firstly, individual donors sign up to donate any amount on a regular basis; secondly, one-off donors, who tend to give bigger amounts; and thirdly, “archangels” who commit to donating larger sums for a minimum period of three years. After lots of effort, pitching the publication to donors and working on more investigative reporting that draws in more readers and potential funders, *The Reporter* now has about 1,800 long-term donors.



The editorial department of *The Reporter* is based in Taipei, Taiwan.

Key to bringing in the donors was ensuring that the editorial content was of a high quality. *The Reporter* moved to produce more news content, making sure to cover issues of most importance to their audience such as the 2019 Hong Kong protests. Taiwan lives in the shadow of a threatened takeover by China, from which the democratic state split in 1949. Taiwanese watch China’s crackdowns on Hong Kong with fear of what could follow for them. “We make the readers feel that their donations make some significant change,” chief editor Sherry Lee said.

*The Reporter* also called on members of the board of *The Reporter Foundation* for connections to Taiwanese businesses that might become donors and supporters. At the same time, they make sure that there is no editorial interference. Furthermore, the startup brings in some money by syndicating and selling stories to Taiwan’s mainstream media.

While *The Reporter* is fairly new, the Malaysian independent news website *Malaysiakini* is often considered the granddaddy of online media startups in Southeast Asia. Launched in November 1999 by Premesh Chandran and Steven Gan, it sought to take advantage of the then-new Internet to create a space for independent journalism in a country where the mainstream media struggled with censorship and interference from the state and corporations.



## Getting less dependent on donor money

Today *Malaysiakini* is a platform that can set the agenda in Malaysian news and politics, with a loyal following of subscribers and plenty of credibility in the scene. Now publishing in four languages—English, Chinese, Malay, and Tamil—it boasts 2.5 million readers every month. It's also won multiple awards from groups like the International Press Institute, Reporters Sans Frontières, and the Society of Publishers in Asia.

The company's founders used their own money at first and received grants from organizations such as the Southeast Asia Press Alliance. While they relied on grants for the first five years of operation, CEO Premesh Chandran says that they reduced that reliance after the general election in 2008. Today, *Malaysiakini* doesn't need grants. About 30 percent of its revenue comes from subscriptions, the rest comes from advertising.

To get to this point, Chandran recommends that companies keep costs low, particularly early on when they're dependent on less predictable sources of funding. All businesses start off with some level of instability and unpredictability, he said. The key then is how quickly you can get your organization to a level of reasonable stability, so that unpredictable sources of revenue form a smaller and smaller portion of the funding pie.

It's important to build up reserves to tide you over during tighter months and build relationships with strong allies who might be able to help you out when things get really tough. "We got the Media Development Investment Fund to invest in 2002, then we formed relationships with the Open Society Foundation and the National Endowment for Democracy," Chandran said. "The key thing is, there should be a big focus on building revenues. The question is, how do you build predictable revenues?"

### KEY LEARNINGS OF MALAYSIAKINI

- Build up financial reserves for difficult situations
- Set up relationships with strong allies
- Make your startup stable quickly

This is also a challenge for *Frontier Myanmar*, an investigative magazine based in Yangon providing "in-depth coverage of news, business and current events in Myanmar," according

to the website. The magazine was started in 2015 by veteran journalist Sonny Swe, who had spent eight years in jail for his work at the *Myanmar Times*, the first solely foreign-invested newspaper he started in 2000.

The team of *Frontier Myanmar* produces a bilingual news website in English and Burmese, as well as a printed magazine every 14 days. The business now employs more than 50 people: half in editorial, half on the commercial side. It has become essential reading for the country's political and civil society leaders, and sometimes even sets the national agenda. "The core idea is we want to be part of the democratic transition in this country," said Swe.



Founder Sonny Swe (left) is a popular speaker and expert.

Until 2018 the startup was financed entirely by advertising. "Since 2019 we have been struggling a lot because advertising-based revenue models do not work here anymore." The newsroom had to find new sources of income. In 2019 the media house won the Google "News Initiative Challenge" and used the US\$100,000 prize to implement a membership model—the first in Myanmar. This means money comes on a regular basis—monthly or yearly—from a community, which supports a special project or journalism approach.

In January 2020 *Frontier Myanmar* launched a brand-new model, producing various newsletters as well as regular events for members. "The challenge in the beginning was convincing the team to think outside of the box," said Swe. That challenge included Swe himself. "I am such an old-school journalist—I only know how to make a print publication and sell advertising along with this print product. Up to two years ago I was complaining that these big tech giants like *Google* and *Facebook* were taking all the revenues from us. And then I changed my mindset." His strategy now is to repackage his content and sell it in a different way.

*Frontier Myanmar* still offers free content for everyone, but it now delivers special services for paying members as well. "We

say, ‘everybody who can afford to support independent media, please do so,’” said Swe. “It is very much like subsidizing, keeping content free for everybody who cannot pay for it. And whoever can pay for it, please support independent media!”

There are three different types of membership: individuals pay US\$25 a year, organizations pay US\$900 a year and institutions pay US\$2,500 a year. The media house conducted focus groups to determine which products would most appeal to prospective members. As a result, members of *Frontier Myanmar* now receive a daily briefing—a roundup of the top stories in the Burmese-language media.

Swe said his audience is looking for quality journalism and a smart, informed take on the news. “Most of us are tired of people who are talking nonsense on *Facebook*. Our audience is looking for great journalism and they are happy to pay for quality journalism. What we do is use our expertise in analysis. Instead of copy and paste about what is happening, we give the context.”

**According to Swe, while the organization is growing, the main challenge is money.**

This is especially true for a media house doing the costly work of investigative journalism. “We want to do our job properly and freely. At the same time, the way we report is long-form journalism,” he said. “We do not have a lifestyle section. We do not publish hotel or restaurant reviews. We are seriously tackling issues that need to be improved. And every single story is impactful.”



*Rappler* is an award-winning Philippine online news website that was launched in 2012.

Struggling with money is familiar to *Rappler*, the Philippine startup that has become world-renowned for its legal battles with Philippine President Rodrigo Duterte. Founded by a group of women journalists in 2012, *Rappler* is still led by editor-in-chief Maria Ressa, the former CNN reporter

who has won awards around the world for her work with *Rappler's* 100-strong team. While Ressa rails against *Facebook's* data-driven advertising business model and the troll armies it has unleashed, *Rappler's* strategy has been to use the digital platform to deliver reporting that fits in a consumer's pocket, with a much smaller budget than her previous employers had.

### Being innovative and inventing new formats

“We were livestreaming every day on the Internet, on the cell phone. We covered the impeachment trial via livestreaming and were the first in the Philippines to do so,” Ressa said. “It had an impact not just on our community but also among traditional journalists, because all of a sudden this was something new and it pushed the traditional journalists to look at what we were doing.” Between 2017 and 2019, *Rappler* began making headlines itself, as the Philippine government and Duterte himself began attacking it in retaliation for its reporting on the “war on drugs” in the Philippines.

While the news website had previously relied on advertising as its main income stream, these repeated attacks meant that *Rappler* got less and less commercial income, as advertisers were afraid to work with Ressa's team. “We were attacked bottom-up from social media and top-down by the president,” Ressa recalled. “We experienced how social media has been weaponized against anyone who questioned this brutal drug war, specifically against journalists, and specifically against female investigative reporters among *Rappler*.” By October 2016 Ressa herself was receiving an average of 90 hate messages an hour.

But it was the Philippine government that posed the biggest threat. “By 2018 the government began filing almost a case or an investigation a month for *Rappler*. So, we had eleven cases or investigations in 2018, and in 2019 I was arrested,” Ressa said. It lasted only one day because of the public pressure, but the experience was life-changing for Ressa. In June 2020 there was another strike against freedom of the press in the Philippines: Ressa was convicted of criminal libel and faces between six months and six years in prison.

By April 2018 *Rappler's* advertising revenue had dropped by half, while the startup had to deal with an average of US\$40,000 a month in legal fees as well as US\$200,000 a month in operating costs. Fearing that they were headed for bankruptcy, the team came up with an alternative plan: cutting the salaries of management staff by 20 percent and creating a Business-to-Business (B2B) model that capitalized on their strengths. “We came up with what we were strong at: our investigative journalism into the disinformation networks,” Ressa said.

Leveraging their position as one of *Facebook*'s partners in the Philippines, *Rappler* began to collect data on misinformation networks in the country and selling it to clients all over the world. Today they have over a terabyte of information. They've mapped out the data and examined the networks, tracing the way lies have been spread online—all of which is of value to companies. "So, we found a new business model jumping off the journalism that we were doing, to determine exactly what was happening in the information ecosystem." This B2B model grew 2,000 percent within the first year and is now one of the main revenue streams for *Rappler*.

## KEY LEARNINGS OF RAPPLER

- Think about creating a B2B model for capitalizing on your strengths
- Investigative journalism helps in a world of increasing disinformation
- A new media startup might receive a lot of hate and hostility

Diversifying revenue streams is also important to *Prachatai*, an online newspaper covering political topics in Thailand. Pongpan Chumjai has led the website since mid-2019. After working as a freelancer, Chumjai started with *Prachatai* in 2006 as a reporter in Chiang Mai, in Thailand's northeast, covering refugee issues on the border with Myanmar. He then joined the newsroom in Bangkok with 15 full-time staff.

*Prachatai.com* was launched in 2004 as a pilot project. The goal was simple: to provide the public with factual, independent information. The website was the first media in the country to forego a print edition and publish only online. "There were not so many online news entrepreneurs who treated online as their main priority. The mainstream media outlets were focused mainly on their print editions," said Chumjai. The existing news media only published government messaging and did not seek to hold leaders accountable. *Prachatai* wanted to fill that gap.

Today the website is heavily dependent on international donors, but the team also produces video reports and surveys for other media companies to bring in revenue. Furthermore, the newsroom experiments with creating products. In 2020 they produced a calendar that sold 2,000 copies. In previous years, *Prachatai* sold comics in cooperation with a famous cartoonist who is mainly active on *Facebook*. *Prachatai* reaches 600,000 unique visitors per month. When the country is holding general elections, that number can double.

The *Prachatai* team is planning a membership model, but it hasn't settled on the details. For now, they're trying not to depend too much on a single donor, cultivating relationships with as many different sources as they can.

**They also apply for special grants for projects such as investigative stories about climate change.**

Startups that have seen mid- to long-term success usually advise a move away from reliance on grants as quickly as possible. One of the reasons for this is the unpredictability of donors. Maria Ressa also warns that donors have their own agenda that may not agree with the long-term growth of the media business. International donations only make up about ten percent of *Rappler*'s revenue, according to Ressa.

"Going into the grant circle means doing what anybody else wants. Grants are only good for special innovation." *Rappler* has only applied for grants when they have a special project they want funded. For example, they took Australian government funding to collaborate with NGOs to create a platform helping to deal with disaster risk management. This is a much-needed service in the Philippines, which faces an average of 20 typhoons a year.



*Prachatai* is Thai and translates to 'free people' in English.

During one typhoon, *Rappler*'s platform was able to funnel 7,000 volunteers to areas where they were needed within a six-hour period. "We use grants for experiments because the risks were cut for us, but we were able to build something new. We want to be the first trying something new, building something new. But relying on grant money only? Then you can't survive. That means you are not an independent media outlet," warned Ressa.

*Frontier Myanmar* gets small grants from donors, including *International Media Support (IMS)* and *Luminate*, started by

Ebay founder, Pierre Omidyar. They've also worked on other sources of funding, which means that Sonny Swe has grown his commercial team while the number of newsroom staff has stayed the same. In addition to the membership model, the business also runs a public relations and marketing agency with a team of about twelve people. Their portfolio includes digital marketing, branding, event management, media management, shooting TV commercials, and producing corporate news. Today, Swe says that more than 70 percent of the company's revenue comes from this business.

## 2. Staffing and internal organization

Attracting good staff has been a challenge for *HKFP*, according to Tom Grundy. As a small media startup dependent on crowdfunding, he could not hope to lure seasoned journalists to leave larger media organizations, particularly in the early days when the outlet's longevity was much more uncertain. For that reason, *HKFP*, like many other media startups, has relied on fresh graduates.

Grundy has a strong marketing pitch for ambitious young journalists: "Instead of doing horrible unpaid internships (or even paid ones) for a year or two with very little responsibility," said Grundy, "why not come to *HKFP* to do video, photography, social media, pursue all the stories you want with complete freedom, and still have often as much impact as in a big newsroom?"

*The Reporter* takes a similar view. Sherry Lee, the chief editor who also teaches at a university, has found that *The Reporter* can be a good fit for serious young journalists who don't see good journalism being done elsewhere. "*The Reporter* is quite a good place for them to stay, because compared to other mainstream media, we are non-hierarchical, and we can really focus on journalism. We won't force you to do advertising or anything, and we support all reporters, so it's a nice place for them."



At *HKFP* each journalist does a little bit of everything.

Unlike the other startups interviewed for this chapter, everyone at *HKFP* does a little bit of everything, from reporting and photography to fundraising. Each journalist is responsible for preparing their article in the website content management system, including adding photos and suggesting headlines, until it finally goes to an editor for approval and publication. "We have a flat system where everyone takes responsibility for their entire piece before it gets to the editor, at least for our daily copy," Grundy said.

It's a way of making sure that things can move quickly, particularly when staffing levels are limited — *HKFP* is still a team of just five people. Grundy would like to expand the team by hiring another editor but has found it a challenge finding someone with the right experience and the collaborative and resourceful mindset the role needs.

### The collaborative nature of the team extends even to the high-stakes decisions on publishing controversial stories.

"I try to ensure that everyone in the team is capable of doing everything, including hitting 'publish'. So if I'm hit by a bus, or if I'm having a massage in Thailand on holiday and I'm not available for 60 minutes and Carrie Lam [the Beijing-appointed chief executive of Hong Kong] is shot, then everybody has the capacity to post that update," Grundy said.

*Magdalene* has adopted a functional structure, more similar to a traditional news operation than *HKFP*. The crucial roles are content, sales, business development, community development, website development, social media and finance, according to Devi Asmarani. The Indonesian publication currently has eight full-time staff, and also uses consultants as well as an external business partner who works on marketing.

They've found this system works better than hiring a full-time marketing staff member. Asmarani learned this lesson after hiring a full-time marketing manager who didn't deliver, a waste of valuable time and resources. It is a reality that many journalists face. "It's really hard because I'm a journalist, I can tell a bad journalist from a good one but when it comes to the business side, I was very blind. I am still," Asmarani admitted.

With some mentorship, Asmarani is making smarter hiring decisions: "Come up with the goal first. What do we want out of this person? And what is the key performance indicator (KPI)? It's good to keep in mind that you have to be grounded. The last time we hired the wrong businessperson was because we wanted to hire a business development and a salesperson, when there's really not one person to fit those two roles. You're either good at sales or you're good at business development. And so we hired the wrong person and paid too much salary."



## Hire slowly, fire fast

“So this time I’m going to be very careful. I was hiring a salesperson in order to solve problems, but in the end I chose the wrong person. If somebody doesn’t deliver, you need to cut off that really soon. If you want to hire someone, you really need to take some time. I was doing the opposite before.”

Asmarani recommends having a clear separation between the editorial and business departments of the company — so as to maintain editorial independence while allowing staff to focus on specific goals — but having someone, such as the person in charge of community development, to function as a bridge. “That community person could be involved in the content side but can also be involved in the business side. Whenever the business is selling events, then they can work with this community person.”

*The Reporter* now has 31 full-time staff, most of whom are in Taipei, Taiwan’s capital on the northern side of the island, with two in the southern city of Tainan. But like every other media startup interviewed, Sherry Lee has found it a challenge to find the right people. Retaining them is also a challenge, particularly when you can’t offer your staff impressive titles or high salaries.



*The Reporter* publishes their investigative stories in the local Chinese language only.

To keep people motivated and engaged, Lee has found it important to have a number of projects on the go, so people are driven to learn and succeed instead of feeling stagnant. She says that *The Reporter* sets high goals for the team: “No matter whether you succeed or fail, it’s okay. You learn something.”

Lee has taken advantage of her younger staffers’ desire to share and discuss what they’re doing. *The Reporter* hosts coffee salons, usually in collaboration with various cafes and bookstores across Taiwan, where reporters can talk with readers and students are able to get a glimpse behind-the-scenes of the reporting process. It not only gives the organization an

opportunity to be transparent and build trust with its audience, but it also motivates the team.

*The Reporter* has become more professional in its operations as it has matured, said Lee. Where it once survived on passion alone, the organization has had to come up with proper workflows to ensure that it doesn’t get bogged down or overwhelmed by big events.

The Hong Kong protests, for instance, provided a learning moment. As the political turmoil in the city continued to develop, *The Reporter* had to come up with a roster system to figure out who would be covering the story from one day to the next. That was essential to ensuring the team could focus on other stories as well, rather than having the whole organization derailed by one big news story.

MAIN RECOMMENDATIONS

- Separate between editorial and business departments
- Have projects on the go so people are driven to learn and succeed
- Have the right founding team with different skills and backgrounds
- Your whole team must be brought into the mission against hate and hostility

All the organizations mentioned so far in this chapter were started by journalists who quickly learned the ropes of running a business while still trying to fill roles as reporters and editors. *Malaysiakini*, in contrast, separated the roles of CEO and editor-in-chief from the outset. That gave them an advantage, according to Premesh Chandran. “My number one and only goal is revenue, right? I don’t get involved in editorial. And I see a lot of media startups are essentially run by editors. And a lot of editors, they’re not really keen to look at revenue.”

**For Chandran, the starting point is having the right founding team.**

“The startups which work well have a founding team, where there are two, three, four people who play different roles and are really determined to make those particular roles work. You can have a good editor. You can have a good businessperson or marketer. You can have a good graphics person or technology person.” This core team is important to get things done.

It's also important that they recognize that the first few years are going to be really tough, so they should be committed to staying the course.

*Malaysiakini* has since gone from its initial six staff in 1999 to more than 120 people today. Working out how to find the best recruits has also been a journey, said Chandran. Once these people are in, it's important to build discipline. "You have to have an office. You've got to have daily meetings. There has to be discipline, everybody needs to know a job's a job. We're here to do our work. That sort of management rigor."

He advised emerging startups to think about senior managers, putting more effort into hiring and training the right people and developing their skills, so they can form the second and third layers of your organization.

### But what's most important, Chandran says, is that the staff has bought into the mission.

"You have to buy into the ambition of the startup. As a startup, that's what you're selling, you're selling a big goal. And unless you can create enough momentum so you can hit that goal on year one, year two, year three, that ambition dies out. So after the first or second year, the founders get tired. It's harder to recruit. It's harder to sell that ambition, so then you stagnate." He warned: "Don't launch unless you know how to get to your third year or fourth year. Don't launch unless you have a plan to separate yourself from everybody else."

For *Rappler's* Maria Ressa, professionalizing the operation of the organization becomes more critical as it grows. And she warns startups to be prepared to adapt if the market changes around you, as it has in the Philippines. "When you manage a growing group, you constantly have to shift," she said. "The mix of people, of their talents, of the culture you create—in our context when we were under attack—we had to adapt our business model. This was not the way it was in the old days when you could come up with a five-year plan."

### Search for the right staff members to grow

According to Ressa, the guiding operating principle of a traditional news group is to optimize for efficiency—get the best possible product for the lowest cost. In this "new world," as she calls it, media houses must optimize for talent, culture and innovation. "If you have the right talent, you create the right culture that allows that talent to continuously innovate. At the same time the workflow keeps changing. That's the first challenge for the management. The second challenge is to make sure that every talented person is mission-driven

and that you help to develop and make sure that their personal goals are in line with the organizational goals. That is part of *Rappler's* secret."

Staff was a priority for Sonny Swe when starting *Frontier Myanmar*. He had been able to bring some colleagues over with him from the *Myanmar Times*, and recruited promising new local reporters. He then recruited editors from Australia, the UK and the US, who were able to collaborate with, mentor, and train up local reporters. Bringing in experienced journalists from English-speaking media is a strategy deployed by other media houses, including *Al Jazeera English* and the *Jakarta Globe*.

"Training was always in our DNA at *Myanmar Times*. Whenever I recruit expats, I make sure that they are willing to train our local journalists," Swe said. "I have my own mentors and advisors, so I can ask them if there are recurring questions concerning main editorial issues."



The media outlet *Frontier Myanmar* is focused on in-depth, investigative journalism.

For *Rappler*, the constant attacks of the last three years have given a new purpose to the organization. "Angry!" is how Ressa sums up her reaction to the pressure. It's been a problem across the newsroom. "I learned a lot in terms of managing my personal anger in the past three years. This is how the world has changed. The fact that the government keeps abusing its power to try to intimidate *Rappler* into silence makes me absolutely convinced that we must continue shining the light."

Strategic leadership is crucial and it must empower people throughout the company. "We had a core of female founders and our median age is 23 years old, so it is a young organization," said Ressa. "I think if your strategic goals are clear and your vision and mission are clear, then your organization should be able to make decisions at the lowest possible touch point. Take the youngest reporter, the youngest graphics, the youngest tech coder—they should make the same choices as I do."

The business staff is important but all interviewees stressed the need to continually improve the quality of the storytelling too. In 2020 Swe plans to hire more data journalists and technologists. *Frontier Myanmar's* newsroom has already published its first data story—it was on the Chinese border—and there are more data journalism pieces in the pipeline. Swe wants his media company to become “much more tech savvy” than it is now. At the same time the mission statement has not changed since the beginning: “To provide readers with high quality unbiased news about Myanmar.”

Swe is firm in his belief that keeping the journalism quality high will eventually deliver a sustainable business model. “We have to find different solutions and different ways for financing, so we can sustain for the next 20, 30 years,” he said. Focusing on the mission has been a challenge for *Prachatai*. According to Pongpan Chumjai: “Many consider us as too traditional, not making too many pilot projects, but we need to think about doing pilot projects carefully, as we have only limited financial resources.”

**Chumjai said the key to the organization's growth has been flexibility and focus on the core mission.**

“For an online news platform the size should be flexible and not too large, so that the team can react to any situation. And what we really need to focus on is what the audience and the society really need. This is a key factor that has allowed *Prachatai* to survive for more than a decade now. While many organizations think about expanding their staff and their content, they end up with no clear direction.”



**The Thai online newspaper aims to empower their citizens to demand democracy and freedom of expression.**

All the startups interviewed for this chapter had to learn and adapt continually in order to find the right people and tools to create an efficient business that encouraged innovation. “It took some time to implement innovation,” said Chumjai.

“We concentrate on our news content and use online tools for sharing documents or developing story ideas. But we still need to learn from other media organizations who initiated online platforms.”

### 3. Members and community building

The difficult path to financial sustainability has meant that Asia's new digital startups have been forced to be far closer to their audiences than traditional media. At *Rappler* the team talks constantly about building communities. Maria Ressa works hard to meet her audience in the real world “because in the end virtual connections are not the same as physical.”

Like the approach taken at *Frontier Myanmar*, *Rappler* rolled out the Philippines' first membership model in December 2018. Since then some of their legal fees have been crowd-funded. *Rappler* invites its 1,000 members to monthly gatherings where they discuss recent topics. *Rappler* never considered a paywall, “because the poorest people need the information the most. Our membership model works for me because those who can afford it can pay to keep the information flowing to the poorest. We have to find the right balance,” Ressa said.

As *Rappler* moves forward, it hopes to build up “communities of action” through a digital platform the team is creating, partly to help monetize communities that gather around *Rappler's* content. Ressa also wants to reinvigorate her management team. In her late 50s, Ressa says she and the other founders are getting older, and she wants management to reflect the views and values of the young audience in the country. She also wants to empower her younger staff and foster their innovative ideas.

Keeping close to the audience is also important at *Frontier Myanmar*. “As journalists we always think that we know what our audience wants to read,” said Swe. “With the technological revolution, everything changed.” In order to keep an ear to the ground, the company has established focus groups with five different perspectives—from journalists, academics, NGOs, diplomats and CEOs—to understand what their interests are.


This is a new mindset that many traditional media have resisted. Where once media houses told the audience what they should be reading, these new outlets are using technology to ask first, what products do they want? Media outlets that are close to their audiences can craft products and services that the audience is willing to pay for. *Frontier Myanmar* has found that being transparent with the audience is essential.

The company's new products — a daily newsletter and a media monitor — have been bought by clients including universities, libraries and foreign governments. With Myanmar's elections scheduled for the end of 2020, Swe and his team have two other newsletters in the pipeline: "Parliament Free Newswire" and "2020 Election." Swe will focus the company's limited resources on its most valuable assets: knowledge of topics that are controversial inside the country and to international stakeholders, particularly of minority groups such as the persecuted Rohingya. "These products are very useful for politicians, NGOs and also for diplomats," said Swe.

Offline, *Frontier Myanmar* plans monthly meetings called "Frontier Fridays" for members, similar to *The Reporter's* coffee meetings. Reporters share with the audience more about the story behind the story, and help demystify the reporting process and build trust.

### Splice Beta Conference

*Splice Beta* is a celebration of Asia's media startups and a space for the community to interact, learn and be inspired. Once a year, the team of Splice Media's founders Alan Soon and Rishad Patel bring together many interesting characters from the global media ecosystem: startups, founders, funders, freelancers, granters, NGOs, academics and students, big tech, little tech, the platforms and the international agencies. People who champion people. That's the community Splice Media wants to build.

More information:  [splicemedia.com/splicebeta2020](https://splicemedia.com/splicebeta2020)

According to Pongpan Chumjai, the newsroom of *Prachatai* tries to increase its reach by focusing on hard news and not wasting time with soft news. "We try to reach more audiences by making a difference in terms of our topics, in comparison to other media news organizations. Talking about political developments in the county, we try to report not only the basics, but we try to make the political situation more understandable for our readers."

Chumjai said that in the future, offline events will play a bigger role. They have had some success in the past. In 2017 and 2018 the outlet held public screenings of documentaries and community projects, in cooperation with citizen journalists. This enabled *Prachatai* to interact with its audience and get useful feedback for its work.

*Pratachai* emulated the *Guardian's* approach and tried re-

questing voluntary contributions from readers. After some initial success the donations dropped off. They have had more success with a membership model. To increase the appeal of membership, they offer merchandise such as calendars or books. Currently, there are around 400 paying members. The goal is to get to 1,000 in the next two years. For 2020 the team wants to focus more on its audience and their needs.

At a time when there is so much out there competing for people's attention, a "build it and they will come" attitude is unlikely to be enough to build a brand and keep a media startup relevant. Tom Grundy says that *HKFP* hasn't done very much surveying of readers, but they know that the publication's main support base is skewed, unsurprisingly, toward the progressive and pro-democracy segments of Hong Kong society.

But *HKFP* doesn't put too much stock in web traffic. "If we only paid attention to what was getting the most traffic and clicks, or if we were pushed in a certain direction, then we would become a pro-democracy campaigning advocacy outlet, which was never the intention," said Grundy. Ultimately, the outlet's credibility would suffer too, making the whole exercise counter-productive. With such a small team and a strong focus on balanced and fair reporting, *HKFP* doesn't have a dedicated membership scheme, but it does have a growing group of regular donors that it refers to as the *HKFP* "patrons".

*HKFP* occasionally organizes offline events — including a "free expression week" series of events — for supporters, though these events don't usually raise much money for the organization. "I've learnt a lot about putting on movie showings, or doing forums, or doing an art show, and it's been a pleasure to have a million different jobs to do, because all of that reflects really well on the brand as well. So we do it for the branding, not for money."

### Communicate regularly with your audience

*Magdalene* is very active on social media, since most of its audience is young and dependent on these platforms in their daily lives. In fact, Devi Asmarani says that while their biggest audience still comes from *Twitter*, engagement is increasing on *Instagram*, a platform favored by younger users. Beyond organic growth and engagement, *Magdalene* is also figuring out what works best for them in terms of advertising.

"We did a little bit of experimentation with paid promotion, like *Facebook* promotion or *Instagram*, but it burns a lot of money, and money that we don't have right now," she said. "So this year we made a series of videos, like video campaigns, which will be aired in the railway system on commuter lines. In each of the cars they have a TV screen, and so we produced short one-minute videos that will be played on there."

For *Magdalene*, offline events are particularly important, not



just because they could be a potential income stream, but also because it's a way for the team to identify the platform's most dedicated supporters. "It's easy to just click on a link, or to 'like' somebody or just to follow. But to actually make the effort to come to your events... they're your real recruits." Once they have identified these supporters, organizations can then put effort into engaging and retaining them—both online and offline.

"In terms of furthering our reach this year, we're creating some public classes—some public events, just for the purpose of building that community. So what we're trying to do is to have 'pillars' of communities. What we want to do is to have different pillars, and then create some activation events through that. And then from there, we want to harvest the people and really create a community, whether it's a *WhatsApp* group or whatever. And these are the people who we will consider our 'champions', the people who are *Magdalene*, even if they're small, even if they're just 100 or 200."

Sherry Lee says there's no secret to *The Reporter's* outreach. As

## MAIN RECOMMENDATIONS

- Meet your audience in the real world because physical relationships are stronger than virtual ones
- Make clear that independent media is suffering and that quality journalism costs money
- Promote your media brand constantly, because there are so many competitors

an investigative journalism outfit, they've found that producing high-quality, impactful reporting works magic for engagement with their audience. "It's like a bomb," she says of a good story being published. If the piece is unique and engaging and hard-hitting, people will start talking about it.

To interact with their audience more directly, *The Reporter* has also organized activities such as an exhibition in which they printed their stories and left them on newspaper racks for people to browse and read. Their marketing team and designers have also done focus group interviews, gathering views and feedback about *The Reporter* as a whole, but also trying to understand the user experience on the website. They also follow the comments to see what people are saying as a way of keeping a finger on the pulse of their readership.

Chandran says that *Malaysiakini* hasn't done a particularly good job of surveying its audience, instead operating more on instinct. But they do engage in design thinking, reflecting on

their product and where demand might be strong. *Malaysiakini* is currently working on building a community that's a little more engaged and involved than their regular subscribers—much like a membership program. "We're developing a 'Kini' community where there's a higher level of interaction among members," Chandran explained. It doesn't require payment above a regular subscription; people can just opt in.

The teams at *The Reporter*, *Magdalene*, *Hong Kong Free Press*, *Malaysiakini*, *Rappler*, *Frontier Myanmar* and *Prachatai* continue to iterate and test new tools, revenue models, and modes of storytelling. It's extraordinarily exhausting at this stage of a media startup's development, but this can also be an exciting time with plenty of opportunities on the horizon. There is obviously not a one-size-fits-all solution or formula for success, but many ways of surviving—and even growing.



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**Pauline Tillmann** is a project manager at DW Akademie. Between 2011 and 2015 she worked as a freelance foreign correspondent in St. Petersburg, Russia, mainly for German Public Radio and TV (ARD). In May 2015 she founded her own digital magazine *Deine Korrespondentin (Your Correspondent)* with 10 female correspondents covering stories about interesting women worldwide. She holds a master's degree in Political Science, Sociology and Psychology and completed a journalism traineeship at the Bavarian Broadcasting Corporation (Bayrischer Rundfunk) in Munich. For her work as a journalist Pauline has received several awards. Currently she works as a trainer, keynote speaker and moderator specializing in media startups.

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# IV. Chapter 3

## Sustain your success

by Laura Zommer, Ana Paula Valacco



**Tania Montalvo** (Animal Político): Deputy editorial director of *Editorial Animal*, Mexico. She is responsible for the digital operations and content, research and special projects, multimedia work, audience contact, the membership program and business model. In 2018 she coordinated *Verificado*, a collaborative initiative that involved more than 90 partners among national and state media.

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GK



**José María León Cabrera** (GK): Founder of *GK*, editor and reporter. His work appears in the prestigious magazines *Etiqueta Negra* and *Etiqueta Verde*, *Diners magazine*, *SoHo Ecuador* and *SoHo Colombia*, *Courrier International* (part of the *Le Monde* group) and the *New York Times*, where he writes articles in English and Spanish. He was editor of the *Frontera Cautiva* project, which was a finalist in the well-known Gabo Journalism Awards (category Coverage 2019).

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**Juan Esteban Lewin** (La Silla Vacía): Editorial director of *La Silla Vacía*. He studied law and history and holds a master's degree in Latin American Studies. He has been a schoolteacher, a lawyer in a coat and tie, a translator and a researcher, so he came late to journalism. He has been part of the official selection for the famous Gabriel García Márquez award on three occasions.

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**Ewald Scharfenberg** (Armando.Info): Director of the investigative journalism site *Armando.Info*. He started as a journalist at local newspapers, later working as the *Reporters Sans Frontières* correspondent in Venezuela. Between 2012 and 2017 he was the Venezuelan correspondent for the Madrid newspaper *El País*. Since 2017 he has been a member of the *International Consortium of Investigative Journalists* (ICIJ).

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## la diaria

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For a news organization to be successful and impactful, survival is not enough. Businesses need to be strong and sturdy if they are to withstand shocks that will inevitably come. Some shocks will come in the form of business and legal challenges. Others will come as attacks from actors who will try to shut down journalism that shines a spotlight on their misdeeds. Staying strong has been made harder as the business model for media houses around the world faces momentous challenges, chief among them, the incursion of digital platforms into the advertising space.

The arrival of affordable Internet access across Latin America in 2015 was initially a huge boost to the democratization of the media ecosystem and the public sphere. Previously information was centralized in the hands of a few large, traditional media houses, which were driven by the business or political interests of the owners. The Internet allowed many journalists to pursue their own areas of interest in new online ventures that focused on under-covered subjects. These journalists used innovative approaches, made possible by new technology, to better satisfy the demands of audiences.

Media startups are playing an important new role in democracies across the region, according to “Inflection Point”, a report produced by *SembraMedia* (2017) on media in the region: “Media startups are becoming increasingly important and credible news sources, and they are transforming the complex media landscape in myriad ways. These digital natives may have an even more important role to play in Latin America than their counterparts did in the over-saturated media markets of the developed world.”

Latin American startups have been surprisingly resilient during the upheavals of the last few years. According to Janine Warner, cofounder and executive director of *SembraMedia*, only 15 percent of the startup online media organizations included in their directory of more than 800 closed between 2015 and 2019. This suggests that there is a high level of strength among journalism initiatives compared to entrepreneurs in general in Latin America.

For startups overall, the number of survivors is significantly lower, with only 40 percent of startups surviving their first two to five years of existence. Warner suspects the reason for the higher rate of survival among journalism startups is to be found in the motivation of the founders. Unlike non-journalism entrepreneurs, she said, “journalism entrepreneurs want to provide a service for their communities—they do not seek to become rich.”

As we have seen in Chapter 2, media startups want to grow and do more. This is especially true when the founders believe their work has a positive impact. Good journalism can improve the lives of many people in the startup’s community, share information, hold bureaucracies and politicians to account, and

ensure that justice is served. But when an organization begins to grow it is also vital to plan to ensure that there are sufficient resources—human and financial—so that staff do not burn out and the organization does not stray from its core mission and dedication to quality content.



Launched in 2010, *Chequeado* was the first fact-checking organization in Latin America.

Not growing can also be dangerous. A news organization must remain responsive to its environment and its audience, and take advantage of opportunities that may arise. Stagnating in a constantly changing world, even after being successful for many years, will sap a media organization of quality and impact. This chapter will focus on digital media that has not only survived but has kept the business going while earning a positive reputation for independent journalism. We will explore what they have done to get to that place, and learn the lessons that can help entrepreneurs worldwide following in their path.

For this handbook we interviewed eight organizations. *Animal Político* in Mexico, *Ojo Público* in Peru, *La Silla Vacía* in Colombia and *Chequeado* in Argentina showcase the vibrant, entrepreneurial journalism scene of Latin America. Their innovations and globally lauded projects display the potential for quality and journalistic rigor in the region. *La Diaria* newspaper in Uruguay is a journalistic platform, constituted as a cooperative, that shows how disruptive models can succeed when they pursue shared community goals.

To reflect how journalism survives adverse economic and physical circumstances, we will delve into the history of *Armando Info*, a Venezuelan digital media organization that does quality investigative journalism. We will also analyze what *GK*, a media agency from Ecuador, has done to revolutionize the way content dedicated to human rights, gender and diversity are monetized. And we will review how *Agência Pública*, a digital media platform from Brazil founded by women, has managed to impose a relevant research agenda from North to South in one of the largest and most diverse countries in the world.

The media outlets covered in this chapter have overcome the tumultuous launch phase and have been able to develop viable organizations in markets that are often challenging for entrepreneurs. And in doing so they have created important new forums for voices and stories that were previously excluded. As the *SembraMedia* report highlights, “throughout Latin America, independent digital natives are covering underserved communities, producing original content, and writing stories about subjects that were formerly taboo.”

What these organizations have achieved will be instructive for media startups in any part of the world. There are no silver bullets, but we will see that there are many new ideas for developing viable businesses that allow these media to maintain the high quality of journalism that they set out to do.

## 1. Funding and revenue streams

Journalists are passionate by nature and notorious for not knowing their personal boundaries. That idealistic thinking often extends to their management of startup businesses. Many media entrepreneurs overlook the important institutional and financial aspects that are critical to running a successful and sustainable organization. Journalists are trained to be good at finding information, at getting “the scoop” through their investigative skills, and to meet their audience’s needs through effective communication. But these skills do not always correlate with long-term strategic planning or business management.

Without proper financial and institutional knowledge, they can compromise the quality of their work and imperil their organization’s survival. Every organization has resources to utilize and goals to meet. The ideal strategy puts these resources to work in the way that best serves the main objectives. The

most successful media startups are those that identify and experiment with new revenue streams that they can turn into reliable pillars for their business.

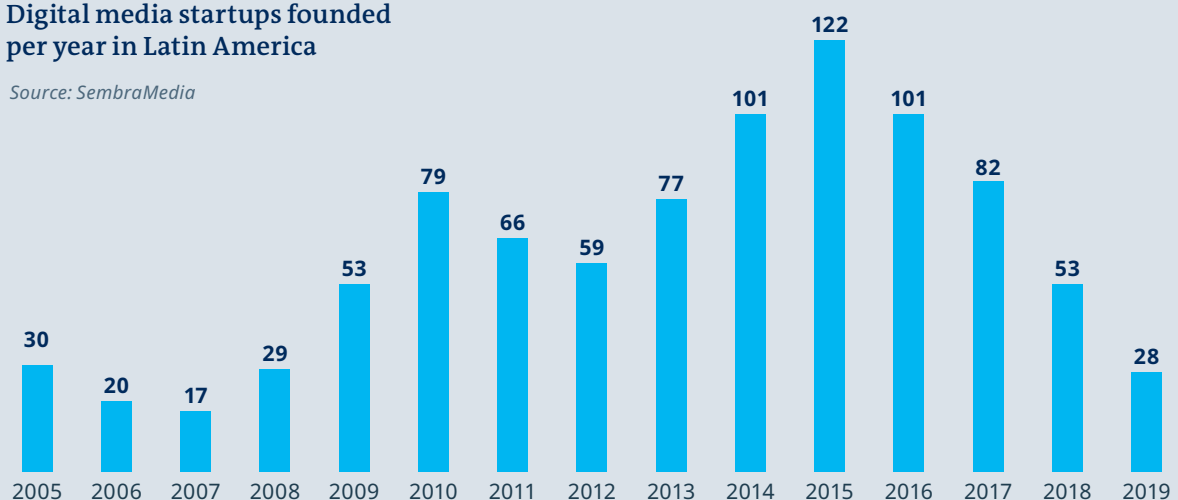
**One of the key lessons of the media startups interviewed for this chapter is that they need a diverse range of revenue streams to ensure some parts of the business will keep the business going if others fall away.**

*GK*, for example, has developed a content agency, *GK Studios*, which serves the communications needs of paying clients and brings in revenue to support the core journalism business. “It is a content study that I also like to define as an ‘editorial powerhouse,’” said José María León Cabrera, general editor and founder of *GK*. “We respond to the communication needs of brands and civil society organizations.” While looking for new ways of raising revenue, *GK*’s leadership team realized they could take advantage of their content production skills to offer services and products that others could pay for, and thus a new revenue stream was born.

*GK* offers audiovisual content production services to third party customers. Some of these products even help *GK* to reach new audiences with different formats. “Last year we produced a program that was broadcast on national television, one of those traditional TV stations that are becoming extinct,” said Cabrera. “It focused on humor and journalism, in the vein of John Oliver and Chumel Torres [a Mexican TV host]. It was very successful and it’s led us to develop a series of pilots to offer different platforms: open or paid television and other streaming services.”

### Digital media startups founded per year in Latin America

Source: *SembraMedia*





*Animal Político*, a news site in Mexico, built two verticals from the original brand to bring in more readers and advertisers. *Animal.MX* is focused on lifestyle and entertainment content and *AnimalGourmet* provides food journalism. The digital outlets share *Animal Político*'s commitment to journalistic rigor but the different content allows for different formats and approaches.

"These are three spaces with entirely different audiences," explained Tania Montalvo, general editor. "All three sites can be marketed, can sell advertising, and are sustainable by themselves." *Animal Político* has also branched out into communications training to bring in extra revenue. They are using their skills in branding, writing and content creation to run workshops for companies.



*Animal Político* started in 2011 as the *Twitter* account @PajaroPolitico ("political bird").

Argentinian fact-checking agency *Chequeado*, for which the authors of this chapter work, sells original content to other publishers as well as publishing it itself. The company receives revenue when newspapers ask for special content, while the regular public content is available under a Creative Commons-style arrangement that allows other sites to republish their content as long as they give *Chequeado* credit. Paid appearances by staff on TV and radio programs also bring in revenue. Like others in this chapter *Chequeado* has also monetized its journalism skills by selling services and training that will support their core operations.

One example is a business using its fact-checking expertise—training students in the region in media literacy and journalists in fact-checking and data journalism skills on a *Chequeado* online educational platform. This education platform has increased the number of countries in which it can operate. It also offers fact-checking consultancy services to TV and film producers, and, like other fact-checkers, they receive payment for the articles they produce to debunk misinformation distributed on *Facebook* and *Instagram*. *Chequeado* also earns revenue from a membership

program, as well as grants and fundraising events oriented to companies and individuals.

One of the common failures among media startups is an underinvestment in business strategy and staff. Researchers compared the median revenues of those that have hired sales staff with those that have not. Startups with at least one salesperson reported more than US\$117,000 in annual revenue. Those with no sales staff reported less than US\$3,900. Many media entrepreneurs rush to hire the best journalists, rather than business staff, as their business begins to grow, following a natural instinct to invest in the quality of their content rather than the institutional needs of the business.

The interviews conducted for this chapter make clear that good journalists rarely possess good commercial skills as well. The startups that succeed tend to be started by pragmatic journalists who understand that monetizing their content requires a different skill set. They have also understood that content monetization can be done in a transparent way that respects the medium's integrity. How they manage the structure, the business and editorial sides of their organizations is also key.

## MAIN RECOMMENDATIONS

- Create a diverse range of revenue streams
- Be transparent in terms of finances
- There is more than journalism—you also have to manage structure and business
- Viable success can be built up mostly from the support of members or subscribers

The investigative digital outlet *Ojo Público* in Peru has worked hard since its 2014 launch to develop a comprehensive sustainability strategy. Born as a nonprofit organization, with its startup costs covered by the founders' savings and a small grant from MediaFactory, it has moved away from an earlier dependence on international organizations such as the Open Society Foundations, the National Endowment for Democracy (NED), Hivos and other donors. The team found this kind of fundraising took its focus away from the core activities of the organization. Donors often ask for thematic projects that may not align with the news judgement of the organization. A donor may ask for reporting on a health area for instance, while other areas are a higher priority for the news organization's audience.



*La Diaria* is unique in the region as it is a cooperative newspaper, similar to *taz* in Germany.

*Ojo Público* is set to launch a new business unit in 2020, located within the organization but separate from the editorial team, and focusing entirely on innovative projects to fund the organization. The decision to create that unit was based on a commitment to learning that the team incorporated from the beginning. *Ojo Público* was founded with a commitment to keep innovating and adapting to its audience's needs, and to do it more efficiently. For this reason, the team realized it had to steer the different initiatives towards those that would support the organization's core activities.

### Focus on your core mission

The media organization also learned that chasing donor funds and serving well-paying non-journalism clients' needs can drive the business away from its core mission. As the media initiative began to grow, it was tempting to dedicate time and resources to projects and consultancies that offered large funds. But, as time went by, it was more efficient to raise funds through projects that complied more naturally with the core focus and those that can link to other activities previously undertaken. "That was a learning process," said David Hidalgo, *Ojo Público's* news chief and cofounder. "What we try to do is to create synergies between projects to extend their coverage, to ensure a little bit of sustainability for a few more months."

*La Diaria*, a Uruguayan cooperative newspaper, has a financing model that is unique in the region. It follows the example of *Die Tageszeitung (taz)*, a cooperative-owned German daily newspaper run by its employees. Founded in 2006, *La Diaria's* initial capital came from future readers who committed to supporting the publication once it was launched. That gave the organization a very strong reader-focused identity from the beginning. The campaign for funding support kicked off with future employees and owners of the newspaper calling for a more diverse range of people to be involved in funding the media.

Their first action was to launch a special offer through which every new subscriber (called a "socio" or partner) would provide five free copies for friends. They received a commitment from 1,000 people before the first print edition came out. *La Diaria's* community was built on trust and a promise that was delivered once the startup came into existence. It was not only the readers who gave their financial support to the publication. Employees were also invited to own a stake in the newspaper. "The initial capital of the newspaper came from future readers. So, from the beginning, it gives it a very strong identity mark," said general manager Damián Osta Mattos.

Even today, the support of its subscribers is key: 81 percent of funding comes from subscriptions. The team's goal is to reach enough subscribers in order to reduce advertising revenue



The editorial team of GK is based in Quito, Ecuador.

to zero. If they were then to take advertising contracts, they would be approved by readers. Mattos explained: “If we cover 100 percent of our budget with subscriptions we would be putting the advertising revenue to the community for consideration so they can choose from a pool of projects proposed by the community itself.” This strategy will allow *La Diaria* to develop a production and distribution structure for content and products that is different from other media in the region. The sales force now includes 15 people dedicated to a call center and administrative issues for subscribers, out of *La Diaria*’s overall staff of 130.

All startups in this chapter said their products must be deeply rooted in their communities, something we will explore further in this chapter. But according to Pablo M. Fernández, director of editorial innovation at *Chequeado*, it is important to never stop questioning the approach. “When possible, it’s a good practice to take the time to reflect on our products and establish the best ways to strengthen the opportunities they provide,” he said.

*La Silla Vacía*, from Colombia, has also been heavily dependent on international collaborations and grants for its revenue. One example of funds they have managed to develop besides the international grants funding is *La Silla Académica*, a platform through which academic research is presented in a more readable, journalistic form. Universities and research institutions from Colombia pay a fee and provide the

research, *La Silla Vacía* provides a high quality adaptation of the research. A key goal of the startup’s management team has been to increase other sources of revenue. It has regularly led a successful crowdfunding campaign called “Los Súper Amigos”, which was recently transformed into a membership program.

## 2. Staffing and internal organization

Digital journalism startups have beginnings similar to garage bands: a group of idealistic friends get together in someone’s kitchen and dream up their new publication. They imagine potential roadblocks, the stories they will bring to the public’s attention and the change their reporting will drive. As they grow and hire more staff, new problems and needs inevitably arise—many that they had not foreseen. The founders face a new range of staffing challenges.

No longer a group of friends driven by a passion, the new organization is run by professionals who will likely face a range of challenges. One of those will likely be a challenge with very high stakes—the need for security. Threats and hate speech will be a major problem at any media organization that seeks to have an impact with its journalism. Cyber harassment, anonymous threats and lawsuits all come with the job. Staff will also face personal development issues including mental health problems arising from the work they



do and the backlash they receive from government and other powerful groups.

To deal with these challenges, leaders often need to acquire new knowledge or hire outside help for their staff. Taking care of people, including founders and leaders, was likely not a priority in the initial years, but once the organization gains stability, staff needs become a greater priority. Addressing these needs costs money and that presents new challenges for cash-strapped startups. Usually these organizations are small enough that a full-time human resources (HR) person is not needed. But the unique challenges of media mean that it often becomes a priority in the growth phase (see Chapter 2) earlier than in other businesses.



*Ojo Público* was one of the organizations investigating the famous “Panama Papers”.

*Ojo Público* started to formalize its staff support structure in 2019. Professionalizing support offered to staff will be a new step for *Animal Político* in 2020, according to Montalvo. “It’s one of the things we’re looking for this year. Last year we started different protocols, talking to people in our team to see how they are doing and what they need,” she said.

Security also becomes part of a startup’s daily work, and this means thinking about digital and journalistic safety measures for the whole team, defining an institutional position in the face of attacks, and hiring legal and security protection. In the case of *Armando.Info*, the three directors had to leave the country because of lawsuits from the government. This impacted their security as an organization and drove up costs in the form of lawyers.

“If [politicians or people in powerful positions] threaten to sue a journalist, we reinforce our institutional presence to back our staff and encourage the denouncers to sue the institution instead, so it’s the organization and not the individual who has to face the threat,” said Juan Esteban Lewin, editorial director of *La Silla Vacía*. Organizations must also devise protocols for using social media: what to post, or

whether to suspend personal accounts during a campaign of backlash, for example.

*Agencia Pública* from Brazil recommends limited use of social media by its journalists, in order to limit their exposure to legal threats or reputation damage. “We want all of the team to be very conscious of using social media and how they expose themselves. We do not force anyone to do anything, but we let them know that anything that they publish online can be used against them,” said cofounder Natalia Viana. The more visible and impactful a media platform becomes, the more cyberbullying becomes a problem.

### Constant evolution and adaptation

The evolution of an organization will probably mean there is always a need for new internal policies and procedures. For example, *Animal Político* had an organic dynamic that was typical for a small group, until the workload overtook them. The leadership realized they had to establish clear rules for staff, including parameters for working from home, shifts, a safe and harassment-free work environment and protection for journalists.

*GK* and *Agencia Pública* have a special focus on the professional development of their teams. *GK*’s leadership thinks of the organization as a school, where everyone learns more every day. “At *GK* we are not only training journalists, but also people who believe that it is possible to work in a media organization whose only duty is to the audience and the truth, and to those who are not playing the game of power. That’s something uncommon in Ecuador and Latin America,” said cofounder José María León Cabrera.

*Agencia Pública* describes the professional development of its journalists as part of its institutional development. This results in staff often staying for a long time. Many of their current reporters have been part of the team for years, which is important to the leadership. “The reason people stay is that we have developed a way to listen to their needs and interests, and pay attention to the ways in which we can help them to pursue their goals,” Natalia Viana said.

Staff are encouraged to take on new projects within the agency, but are also supported when extraordinary opportunities outside of the organization appear. This includes fellowships or side projects. Investing in their careers and skills has led to a general strengthening of the organization—these reporters are both skilled and experienced and, probably even more importantly, loyal to the brand and its values.

Only one of the organizations interviewed, *La Diaria* with 130 employees, has a person in charge of human resources, but all the others said they understand the need and are looking for

solutions, either in the form of outside consultants or short-term projects on institution building. For example, since January 2020 *Chequeado* has hired a senior HR consultant who works in developing organizational policies, culture, and management change.

### 3. Members and community building

Community participation in content development is not just a gimmick for new digital media. It is increasingly being put at the top of their to-do list. A new digital media platform can create a product of exceptional quality, but that will not guarantee its longevity if it does not carefully build a strong relationship with its audience or “community”. That was a key lesson many of the media interviewed for this chapter learned along the way. And, they warned, once the outlet has built a community, it cannot take it for granted. Keeping that community engaged demands constant maintenance and becomes a central role of the organization.

**To have a strong community is not only a matter of funding and visibility. It also helps to maintain and endorse journalism.**

More than ever, community members interact with journalists in new and meaningful ways, such as sending scoops and recommending story ideas or fact-check requests on *WhatsApp*. *La Silla*, *Chequeado* and *Animal Político* all use the popular message platform to connect with their audiences. Audiences can also offer assistance on certain topics or suggestions on product development. The community provides a space to test new ideas and innovative projects. A loyal audience is an audience that will identify mistakes, if there are any, and quickly alert editors to make corrections.

Having an active social media presence can help build community but it does not guarantee it. Effective community building requires a smart strategy. Digital platforms offer an open space to share, criticize, give opinions and disseminate information through a whole new dynamic. The main challenge for media entrepreneurs has been breaking out of the traditional journalistic mindset and embracing social media platforms as new distribution channels, with new formats and new opportunities for content monetization. In traditional media, content creators had to persuade a distribution platform to buy their content. Now the content creator can instantly reach a distribution platform but must be more creative in finding ways to monetize it.

The evolution of many community-building ventures began with a simple social media presence and developed into full-blown community engagement. In time, media organizations

moved from simply posting their web content on social media to creating different and unique content that responded to unmet needs within their societies. *Chequeado*, for example, invested in a community manager in 2019 to create a more strategic approach to online interactions. Generally, the results have been favorable, as the team has been able to take advantage of available metrics to get to know their audience better and interact more strategically.

After five months of implementing metrics measurement and analytics, the organization has transformed the way in which it posts on social media, improving the interaction rates by 50 percent in all its social networks, while avoiding annoying the audience with excessive posting. This has allowed the team to approach their audience directly and better understand their needs and views, yet also to understand how their web-traffic can be monetized. This has been part of a process to develop a membership program that is currently taking place.

Several interviewees acknowledged that they had lacked a vision for creating a more mature social media presence in the beginning. They said that communications, creative, and innovation staff should have been higher priorities early on. They have learned not to underestimate the value of social media for building community or the impact that dedicated network and audience building staff have in these activities. Closer contact with the audience opens up opportunities to include community in the content creation process.

“Traditional and unidirectional journalism can be enriched by people within the audience who are experts on certain subjects—surely more than the journalist,” said Damián Osta Mattos, cofounder of *La Diaria*. “This means they can collaborate no matter where their knowledge comes from: sometimes it may be based on their academic backgrounds, but valuable insights also come from their daily lives. These inputs help us to produce better content.”



*Armando.Info* is a Venezuelan digital media organization which is focused on investigative journalism.



However, two cases illustrate that community building can also come first. As mentioned earlier, *La Diaria* was born as a print newspaper funded by future readers. *Animal Político*, in Mexico, was born as a *Twitter* account before becoming a news medium. This shows that community building can be the original source of a long-term sustainable audience.

Under @PajaroPolitico (“political bird”) *Animal Político* had the mission of satisfying a demand for honest reporting on politics in Mexico. The team began creating a community on *Twitter* and slowly emerged as a digital medium in its own right. They were successful in taking the community along with them. This gave the team the advantage of knowing how their audience behaves on social media before they began publishing.

Most of these media connect with their audience beyond cyberspace. They hold physical events including trainings and public presentations of reports and research. These also offer opportunities for small sources of revenue. *Animal Político* and *GK* have organized film screenings and debate sessions, sometimes exclusively for their members or for those who are willing to pay. *La Silla Vacía* invites the public to their newsroom to discuss topics with the team and experts that take part in some of their productions. In order to build a sense of engagement with its audience *La Diaria* opens its physical doors to the community and holds regular offline events to learn about the needs of the community and share their experiences of reporting.

*Armando.Info* from Venezuela has shown that social networks can also generate a network of activists engaged in the medium's activities in real life, even from abroad. This can in turn inform the work the medium does afterwards. “Two years ago, at the request of our general manager, we began to hold forums in Caracas and other cities across the country,” said Ewald Scharfenberg, one of the founders.

“These were forums in bookstores. From the beginning, I was against them. ‘What nonsense to spend energy on this that in the end was for only 20 people.’ In the end, it proved to be a good idea because although it was really a small number of people, specialists began to attend, and there were also people who we did not even know knew that we existed. They even started to give us clues about issues that arose in their field.”

Colombia's *La Silla Vacía* has also created ways to include specific communities through networks of experts, with *La Silla Llena*. It is a collaborative platform that showcases the work of relevant institutions and organizations in Colombia, as well as experts from different fields who share an interest in knowledge generation. “We have gained audiences— not only the universities, it can be NGOs, but also private companies that are interested in the production of knowledge, a debate space, and journalistic coverage on different topics,” said Juan Esteban Lewin.

## KEY LEARNING

All these successful media build their brand on two pillars: the quality of their journalism—well produced, rigorous and relevant content—and a significant presence on social media. These media created a unique product that is seen as indispensable by their community because it responds to an information gap in their world. A strong presence on social media is vital for the dissemination of the message and to have a direct relationship with their community.

Most organizations also found that by giving the audience visibility into the journalistic process and a sense of ownership of the end product through public events and online engagement with the audience, it's easier to persuade them to pay money for it. “Involving citizens in the whole journalism process will allow us to work with them at some point and for them to understand that paying for content is not a crazy thing to do,” said Tania Montalvo. Today most *Animal Político* subscribers come from those who already received the newsletter, or those already engaged in their social media networks.

For example, *Animal Político* releases special investigative reports first to subscribers, then to their followers on social media. Whenever they do this, subscriber numbers increase. Creating a sense of belonging to an exclusive group is valuable. *Agência Pública* claims to have more than 1,000 subscribers. Members are invited to vote monthly on which interviews should be done and receive special products in advance. “We were producing a podcast, so we sent the first cut to our ‘allies,’” said Viana, as an example. “They were the first listeners; we invited them to share their feelings and impressions and what they thought about the podcast.”



*Agência Pública* is an investigative and independent journalism agency founded in 2011 in Brazil.

*GK* relies on the work of its audience editor, a member of the staff dedicated to studying the audience through online metrics. The editor goes beyond mere site-traffic statistics to determine what the audience wants and how to turn that into a source of income. The audience editor has the task of reviewing and analyzing the way valuable interactions can be increased such as those that reveal a high degree of commitment to monetizable contents.

“We did a survey within our subscriber database and we found out that they like to read long stories. So if there are lots of people who financially contribute to *GK* because of the very long text, we pay attention to those stories and focus our acquisition strategy there,” explained José María León Cabrera. He believes the more readers one can monetize, the better. “If you have, let’s say, a thousand readers, but you have only ten who are receiving your newsletter, those ten who are within the thousand are much more valuable than the other 990, because they are one step closer to becoming funders.”

*Animal Político* also uses newsletters to entice its audience into entering a monetized relationship. “When we launched our campaign ‘Friends of Animal’ we restricted the access to the afternoon newsletter only for members. Anyone can subscribe to the morning’s newsletter, but in order to monetize, at least in this first strategy, we are focusing on those who subscribe to the newsletters, and decided to add value to that specific product,” said Montalvo.

Media organizations around the world have learned that building trust with the audience is critical for keeping their support, as information ecosystems are overwhelmed by disinformation through social media. Startups in this chapter have found that being transparent about their business model and reporting processes has helped them build that audience trust. Startups have been more proactive about disclosing mistakes and publishing corrections than traditional media.

## 4. Innovation and investment for the future

A common theme among the interviewees was the value of innovation. New technologies have allowed them to explore a range of formats and choose the best fit to deliver their journalism—both online and offline. Foremost in the group’s mind was the fact that they worked with communities, not just customers, with which they must maintain active and evolving communication.

*Ojo Público*, for example, innovates and invests in projects that are not directly related to content production but can provide insights to the editorial team. In 2019 the team created an algorithm that detects evidence of corruption in public

procurement called “Funes”, with the support of international donors. Funes is a tool that analyzes droves of data on public contracting by the Peruvian state and identifies political and financial relations through an algorithmic model that weighs corruption risks.

“We have collected enough information to build a database to take full advantage of it,” said *Ojo Público*’s news chief, David Hidalgo. “That database is then used by our journalists to produce investigative reports and made publicly available for interested citizens.” Funes has already been recognized with a Sigma Award in 2020 for “Best Innovation Project by a Small Newsroom”.

**But innovation is not limited to technology. It is also about improving workflows and incorporating new practices into the organization. And it includes innovative approaches of media in building their community.**

During the 2019 election period, for example, *La Diaria* took a risky decision. “We decided that it was important for democracy that the country’s 260,000 newly registered voters could access the newspaper without cost for six months,” said general manager Damián Osta Mattos. “We did a campaign called ‘Choose to be informed’ and 1,700 new voters asked for a free subscription. What we showed here is that we care about them. We even invited them to be part of special events and to give feedback on our products.”

While they may not have become subscribers immediately after, the startup expected them to stay loyal in the future. “These are people who may be able to pay a subscription in the future, and who, we hope, will remember what *La Diaria* has offered to them in the past.” One challenge of innovation is finding products and processes that add value that is not outweighed by extra work.

“We have realized that if we can make a product that looks or is very innovative on the outside, but the processes or capabilities that we have internally fall short or mean that we work four times more, the cost-benefit analysis does not work,” explained Tania Montalvo of *Animal Político*. As an example, she said that there has been an expectation that the site would branch into podcasts.

“But, instead of jumping directly into this format, we’re creating an internal process to launch podcasts so that future podcast development doesn’t automatically translate into more work for the newsroom. This process makes things more complicated in the beginning, meaning that all our products are delayed, or come out with a lower quality than we expect them to be. We prefer to arrive a little late to the



party but with an internal process that allows us to arrive with quality,” said Montalvo.

Another value of these new digital media initiatives is their capacity to expand the range of news that can be covered and the range of formats to cover and serve it in. This means more people are served more news in more formats that they can engage with. Digital startups have the flexibility and innovative approach to increase local news, for instance, or deliver news in formats such as video, audio and social media, which can help them reach communities that have not been served by traditional news models.

“The less traditional the media scene, the more democratic society is,” *GK* founder José María León Cabrera said. “The more people consume quality content and not garbage—because making garbage is super easy—the better the quality of local democracy.”

**The interviewed startups have also experienced how important it is to listen to their team for ideas and innovation.**

Many startups include the whole team in the decision-making process. At *Animal Político*, for instance, the team participates in group meetings in which leaders make strategic decisions. At *Chequeado* the entire team participates in a weekly meeting where funding opportunities and all the organization's new projects are discussed. Despite the constant work that these teams have done to learn, innovate and adapt as they grow, they all admit that they have not worked out all the answers when it comes to media viability.

They have learned from each other, looking across borders to innovators for new ideas. Having a role model from another country has helped to open their minds to different approach-

es, at the same time ensuring they are not blind to their particular contexts. “I am a supporter of the recurring payment model, but we can't import models that work well in contexts that are different from ours, expecting them to succeed seamlessly. We have to focus on what creates interest in someone who follows you,” said Damián Osta Mattos of *La Diaria*.

### Building a trusted brand

There is nothing secretive about how these media organizations achieved their success. They have been very open about learning from each other and are willing to pass on that knowledge to other organizations that need help. In media entrepreneurship, as in any startup ecosystem, comprehensive analyses of others' failures can help to avoid traps.

Those media who successfully built a product that inspires devotion in its audience have found the key to ensuring sustainability. Their success is based on the quality of their content and its relevance to their communities. Sustainability is possible not only because of the high quality of their product, but also because they have a well-thought-out strategy to reach their audiences with a product that fills an unmet need.

“What is really important to *Armando.Info*—and took us five years to understand—is that you have to build differentiation. This is not said enough when you're actively pursuing a viable media,” said director Ewald Scharfenberg. The earlier the startup finds its niche, the better.

*Agencia Pública*, for instance, focuses on gaps in Brazilian journalism, such as in-depth investigations, but they highlight another feature of their organization that made them stand out. “Our organization was founded by women, and we knew from the beginning that our brand is defined by the fact that we are female journalists,” explained cofounder Natalia Viana.

**This difference has helped them to become a unique voice that their community trusts and knows cannot be found elsewhere.**

Building a trusted brand can come from the tone of the content or the type, but there is no recipe for the “what” or “how” that leads to success. There is, however, a strong correlation among the principles that motivate the “why”. The values that moved these entrepreneurs to build their media organizations have remained strong. Audiences stay loyal to them as long as they stay loyal to these principles. Understanding thoroughly the reasons behind the desire to start a media organization can also help journalists to define a more mature and successful strategy.

“Once you know why you do it, you also know who you are talking to. Therefore, you can also choose to be a digital medium that talks to a very small group or that talks to everyone,” said José María León Cabrera from *GK*. Organizations that have managed to achieve some financial stability and are able to produce high quality journalism in a sustainable way share certain traits. These traits are worth considering in any effort to develop a sustainable strategy.

Ultimately there is no definitive playbook for digital media on how to make the numbers work. All startups interviewed in this chapter are learning by experimentation what works for them and what does not. Whether it’s crowdfunding campaigns, memberships, paywalls or other products, each organization will have a different path to media viability. What they all have in common is the wish to move away from a reliance on international grants to creating more products and services that can be monetized in the future.

**'Know, ask and listen to your audience/community' should be your mantra.**



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## MAIN TAKEAWAYS FOR SUCCESSFUL MEDIA STARTUPS

**01 Recognize what makes you unique and relevant to your audience.** The media startups interviewed for this handbook learned from what they had done well and built on that. “A media business, to be successful, must become necessary,” said *Ojo Público*’s David Hidalgo. José María León Cabrera from *GK* agreed: “The golden recipe is to find and solve a media problem for your society.” When the media ecosystem doesn’t provide good answers to people’s needs, those who do and do it well have a better chance of survival. ‘Know, ask and listen to your audience/community’ should be your mantra.

**02 Establish rules and procedures early.** Institutionalizing processes may sound contrary to the ethos of encouraging innovation, but these startups found it necessary to create processes that helped them streamline their businesses and create an environment that fostered innovation. As *Animal Político* learned, “the bigger the team, the more rules need to be put in place,” according to Tania Montalvo. Having a set of rules will not only prevent problems but will also ensure growth and impact.

**03 Your team is your main asset—protect your staff.** Taking care of a team requires strategic investment. Finding the right staff and then managing their evolving needs can be outsourced early on, but over time a company needs to develop protocols that apply to everyone equally. Hiring staff devoted to human resources may be out of financial reach for startups for many years, but there are tools available for every startup that can support your team’s well-being.

**04 Take advantage of opportunities presented by your audience.** Media that has a strong relationship with its audience can create products that meet their needs and for which they are willing to pay. This in turn, improves trust from the audience in the media platform in a virtuous cycle. “When there is so much junk content and distrust going around, it is our task to provide

the quality content people demand,” said Tania Montalvo. For *La Diaria*’s Damián Osta Mattos it is crucial to democratize media ownership, which results in greater and more constructive civic participation. It means that information is not controlled by a powerful elite and those who want an independent perspective on news in their country have access to it.

**05 Be transparent with your team and your community.** Define your values early, and make sure your people stick to them. Having clear values internally and communicating them externally will enhance the relationship with communities and stakeholders and ensure consistent, reliable quality journalism. Do not hide relevant information and make sure to strengthen internal communications channels to enhance transparency and the sense of trust from your team.

**06 Learn from the storms.** After something goes wrong, take the time to reflect on it and generate learnings that will inform your team and your operations. Failure is something all media experience. This is also the reason why leading a startup is often compared with a roller coaster. Long-term success comes from learning how to incorporate the lessons of failure and to avoid repeating mistakes. Being self-reflective, but not self-destructive, is key.

**07 Follow your metrics and measure your impact.** Make the results of impact measurement part of the strategy early in a project. It is better to kill failing ideas early. If you don’t, you risk squandering resources and stressing the team without a good outcome. Measuring the impact of your content on your community is difficult—at the very least you must have defined your key performance indicators (KPIs) according to what will determine success for you, your team and stakeholders.



# V. Afterword

by Pauline Tillmann

For this handbook we interviewed 21 innovative media startups from 18 countries in Asia, Latin America and the MENA region. Their experiences of the journey towards establishing a successful media company all differed according to their political, social and economic environments.

The startups wanted to share their key learnings and main recommendations with you because they believe in collaboration, not competition. What they all have in common is that they have courageous journalists and managers on board, because being a fearless reporter in challenging times does not make you rich — it's about following your passion.

Every day, these startups have to fight for what they are passionate about — independent coverage, investigative research, innovative storytelling, truth-telling, and even higher motives like democracy and freedom of expression. Many of them have lost important ad revenues and investors as a result of COVID-19. At the same time, many have doubled their reach and connected with audiences they didn't even know existed.

Starting a media organization is like going on a rollercoaster ride — it's a succession of exhilarating highs followed by sudden descents when the challenges get really tough. When you start out it is mostly passion that drives you. And then you grow, little by little, with each challenge you overcome. Your ultimate goal is to make your business more professional and to sustain your success.

No matter what stage you are at, leading a media outlet will always be a balancing act. You will need to deal with a whole range of challenges centered around your journalistic mission. Innovative, independent media outlets have to fulfill a wide range of expectations: They have to close a gap but also react to demands from the market; they have to listen to their community but also surprise them with new products; they have to produce high-quality journalism but also build a stable organization; they have to find their niche but also serve the mainstream; they have to find allies but also stay focused on their core values; they have to diversify revenue streams but also meet the needs of donors and members.

In many areas the “trial and error” mantra applies. Of course, not every single idea has the potential to change the world, but there will always be more out there than we can imagine. Reading this book, we hope you know now what you can attempt and what to avoid. Mistakes are useful — they help us to learn and improve — but some mistakes are best avoided.

At DW Akademie we hope that in the coming years we will see even more digital media outlets getting started and contributing to a diverse media ecosystem worldwide. Each and every innovative project will help in the quest to find new models of financing for quality journalism, at the same time informing and enriching democratic societies of the future.

## VI. Annex

## **1. Glossary**

**The glossary explains words like ‘crowdfunding’ and ‘subscription’ that appear in this handbook and are often used in the startup world. We would like to define these crucial terms to create a common base of knowledge.**

### **Audience engagement**

Refers to audience interaction with the organization and its content through the website, social media, or in-person events. The higher the quality and quantity of that interaction, the greater an organization's trust. Besides monetizing this relationship, it is also about getting an idea of stories that are relevant to the audience and for the journalists' protection when the company gets attacked.

### **Business model**

A plan for the successful operation of a business by which it earns revenue to cover the costs of operating.

### **Business plan**

A document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized. Investors will want to see this document before providing capital to a business. It is an important early step in founding a sustainable startup.

### **Business Model Canvas (BMC)**

Meant for visualizing the business model and startup idea at one glance. Some experts think that the BMC can replace the business plan. It was developed by Alexander Osterwalder and is published in his book "Business Model Generation".

### **Break even**

The stage at which expenses and income are equal and there is neither profit nor loss. If the income is greater than the break-even point, the business makes a profit. If it falls below, the business makes a loss.

### **Business angel**

Also known as an "angel investor", this is someone who invests money in a startup business at a very early stage and also supports entrepreneurs with expertise and contacts.

### **Business-to-Business (B2B) model**

This refers to a business that provides products and services to other businesses rather than to the consumer.

### **Business-to-Community (B2C) model**

This refers to a business that sells products and services directly to consumers who are the end-users.

### **Chief Financial Officer (CFO)**

The CFO has primary responsibility for managing the company's finances, including financial planning, management of financial risks and financial reporting. They can also be responsible for analysis of data. They assist the COO on all strategic matters relating to budget management, cost-benefit analysis, forecasting needs and securing of new funding.

### **Chief Information Officer (CIO)**

The CIO leads an organization's information technology operations.

### **Chief Operating Officer (COO)**

The COO oversees the operations of a company. They organize, direct and optimize all operational processes. The goal is to make all internal processes as cost-effective as possible.

### **Chief Technology Officer (CTO)**

This position is focused on the scientific and technological issues within an organization. A CTO will make decisions for the overarching technology infrastructure that closely aligns with the organization's goals.

### **Chief Executive Officer (CEO)**

The CEO is responsible for all operations of the business, including setting up the strategy, financial management, and operations. They are responsible for delivering the objectives of the organization as agreed by the board.

### **Collaborative journalism**

A growing practice in the field of journalism. A cooperative arrangement between two or more news and information organizations, which aims to supplement each organization's resources and maximize the impact of the content produced. It should not be confused with citizen journalism.

### **Citizen journalism**

Based on the idea that public citizens play an active role in the process of collecting, reporting, analyzing and disseminating news and information. It can be seen as an alternative and activist form of newsgathering that functions outside legacy media.

### **Crowdfunding**

Practice of funding a project by raising small (or sometimes large) amounts of money from many people, typically via online forums. Normally there are three parties: a project initiator who pitches an idea to be funded, individuals who support the idea and a platform that brings all these together within a certain time frame (e.g., 30 days).

### **Design thinking**

Refers to strategic and practical processes by which new design ideas or products are developed. There is a special focus on users. It demands constant feedback between the developer of a solution and its target group. Solutions and ideas are made visible as early as possible (e.g., prototypes), so that potential users can test them — long before they are completed or launched — and provide feedback.

### **Donor**

A person, organization or government that grants money to other organizations it deems worthy of support. In the media



sphere, individual donors are an increasingly important source of independent revenue.

#### Editor-in-chief

Also chief editor, is a publication's editorial leader who has final responsibility for its editorial processes and policies.

#### Exit

The moment investors or founders leave a company. Investors will seek to exit when they can lock in a good profit. Journalism companies grow slowly, making them a less attractive investment for investors who want a quick profit. For this reason, investors in media are often "social impact" investors, who are more patient in seeking profits and hope to do some good.

#### Foundation

A type of donor. For media startups, international foundations have played a key role in financing. Many foundations started by very wealthy individuals will invest in media because of a personal belief in the benefits of strengthening democracy and freedom of expression and help startups with core funding and/or project funding. Well known foundations in the space include Luminate, the Bill and Melinda Gates Foundation and the Open Society Foundation.

#### Fundraising

Necessary to achieve organizational goals or special actions. This is primarily about money, but also about resources such as volunteers, property or services. Fundraising is one of the main issues for all startups, no matter how long they have been operating.

#### Growth

Means an increase in size — more staff, more content and more sales.

#### KPI

Key performance indicator (KPI) which can be used to measure and/or determine the progress of goals within the company. For media startups some of the most important KPIs are: Customer Acquisition Cost (CAC), Customer Lifetime Value (CLTV), Conversion Rate and Retention Rate.

#### Media viability

Ability of media outlets and media landscapes to produce high-quality journalism in a sustainable way. This definition goes beyond the individual media outlet level and its revenue streams, taking into account the larger picture, including markets, networks, and individual outlets. Media viability is crucial for citizens to have stable access to reliable information (see Introduction).

#### Membership campaign

Refers to the effort to persuade the audience to become "members" of an organization and make a regular financial

commitment to it. Membership models have become a sustainable revenue stream for many startups worldwide.

#### Revenue stream

Source of income for a company or organization. Most organizations seek to have many revenue streams so that they are not overly dependent on one that might shrink or disappear.

#### Seed stage

There are different investment phases within the lifecycle of a startup. Three main stages are: early/seed stage (idea and foundation), expansion stage (national and international expansion), and later stage (restructuring and succession).

#### Social media

Forums for users to share content and interact in cyberspace. Important for digital-only media as it facilitates communication with audiences in various online forums. The largest social media platforms are *WhatsApp, Facebook, Twitter, Instagram, YouTube, Snapchat, TikTok, VKontakte* and *WeChat*.

#### Sustainability

Ability to continue operations in a financially and operationally viable way over the long term. Media startups aim to find a sustainable business model, so they have the funds and operational structure to produce high-quality journalism over the long term.

#### Subscription

A business model in which a customer pays money at regular intervals for continued access to a product, whether it be in physical form, such as a newspaper, magazine or website, video or audio stream. The term is derived from the Latin sub which means "under" and scribe "write" and means "sign" or make a signature.

#### Unicorn

Since the mythical creatures are very rare, only a few startups are called unicorns. Young, innovative companies that are valued at US\$1 billion are known as unicorns, for example Toutiaou (China), Airbnb (US) and Uber (US).

#### Venture Capital (VC)

A form of private equity financing provided by venture capital firms or funds to startups at an early stage but also within their growth phase. Venture capitalists take on the risk of financing risky startups in the hope that some of the firms they support will become successful.

#### VAM360°

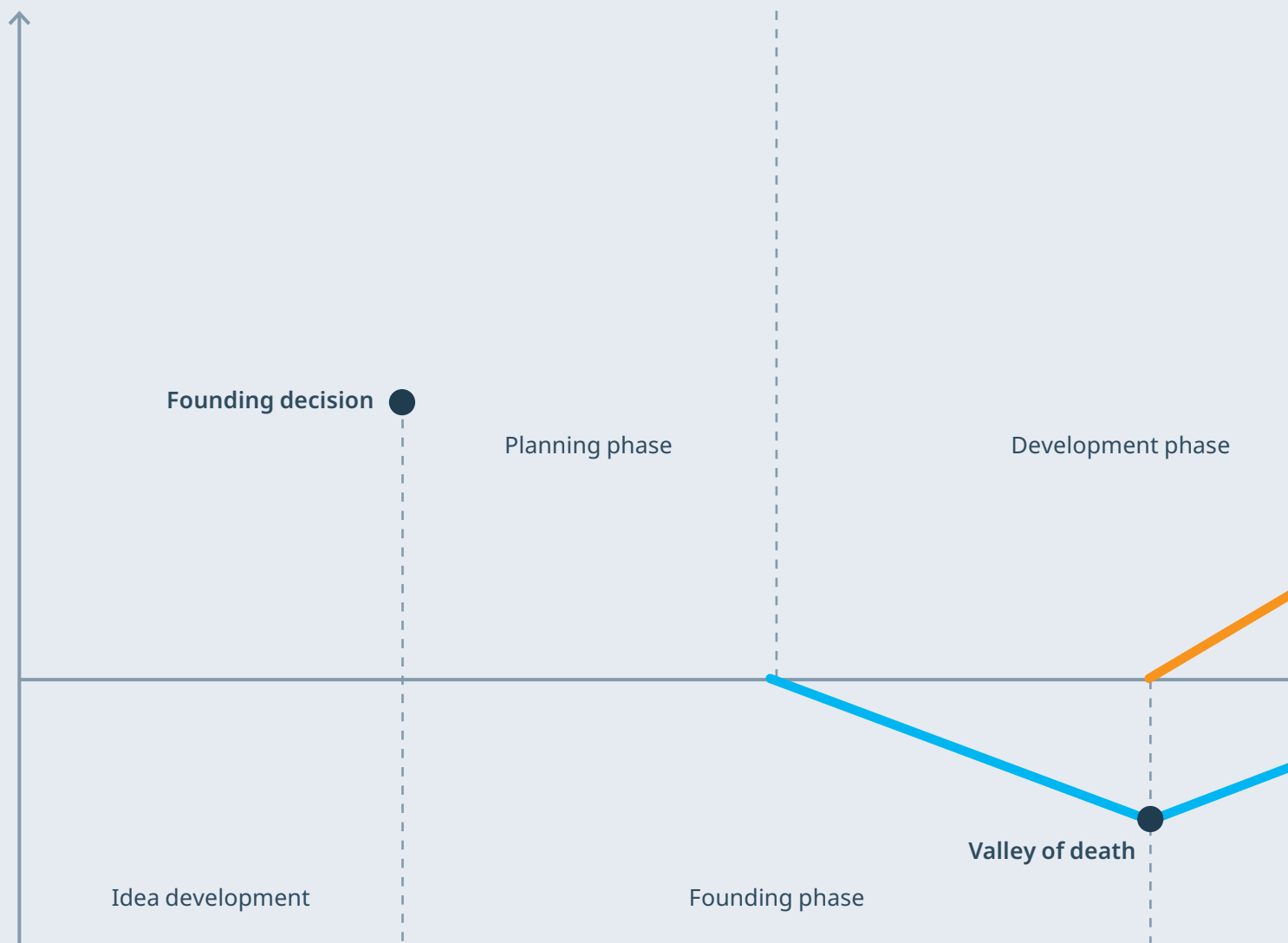
Viability Assessment Map that helps media outlets to analyze the various aspects that are important for their viability. Designed by DW Akademie, it is based on the Business Model Canvas, human-centered design and DW Akademie's media viability concept.

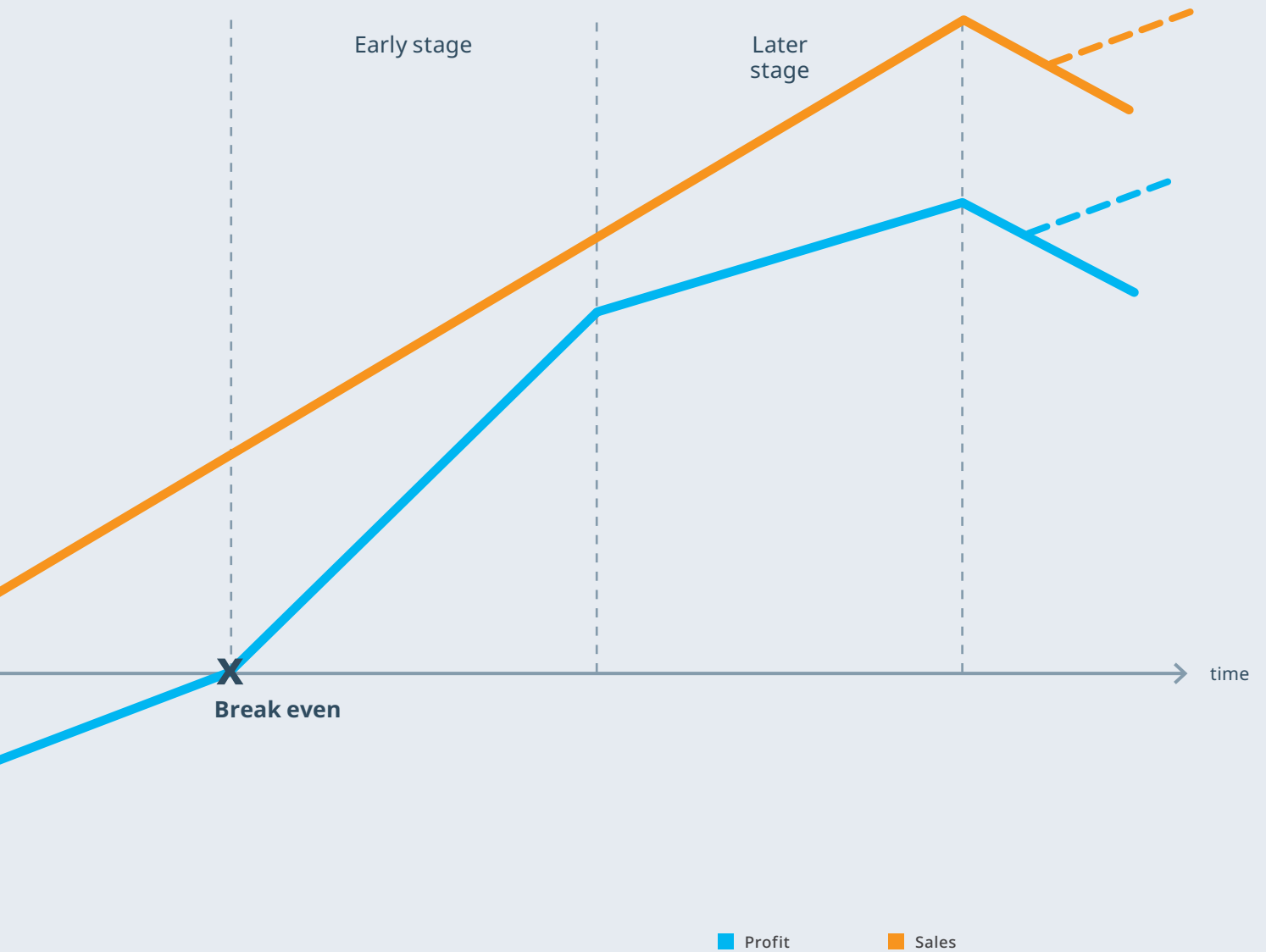


## 2. Startup lifecycle

Startups have their own lifecycle. This graphic might help you to understand better what the challenges are when you are starting out, as well as later on. It also enables you to see at a glance what the important milestones are, such as relief after the so-called “valley of death”, break even, and the exit after eight or ten years of existence and growth.

# Startup lifecycle





Source: according to Zacharias (2001), Rügeberg (2003)



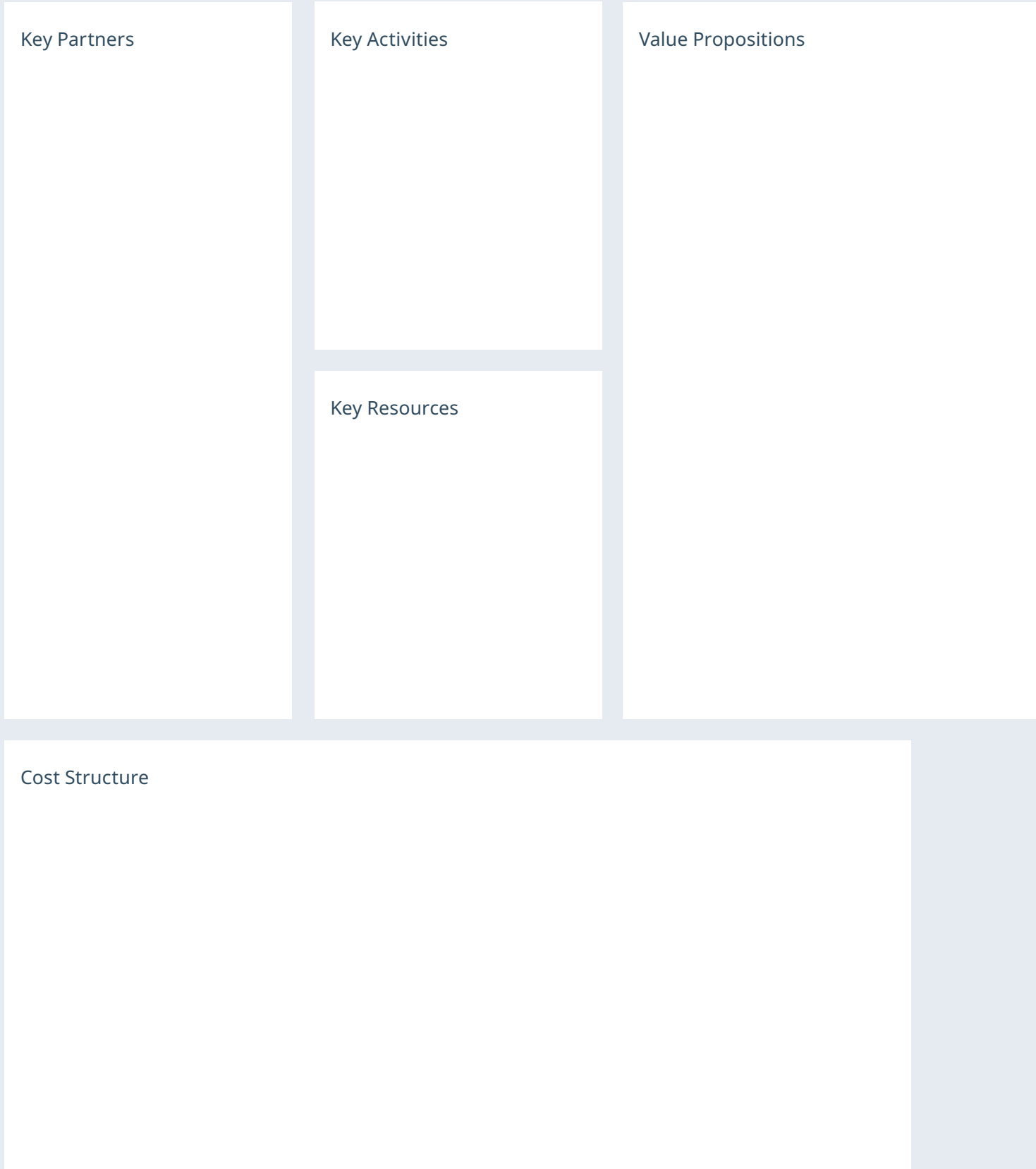


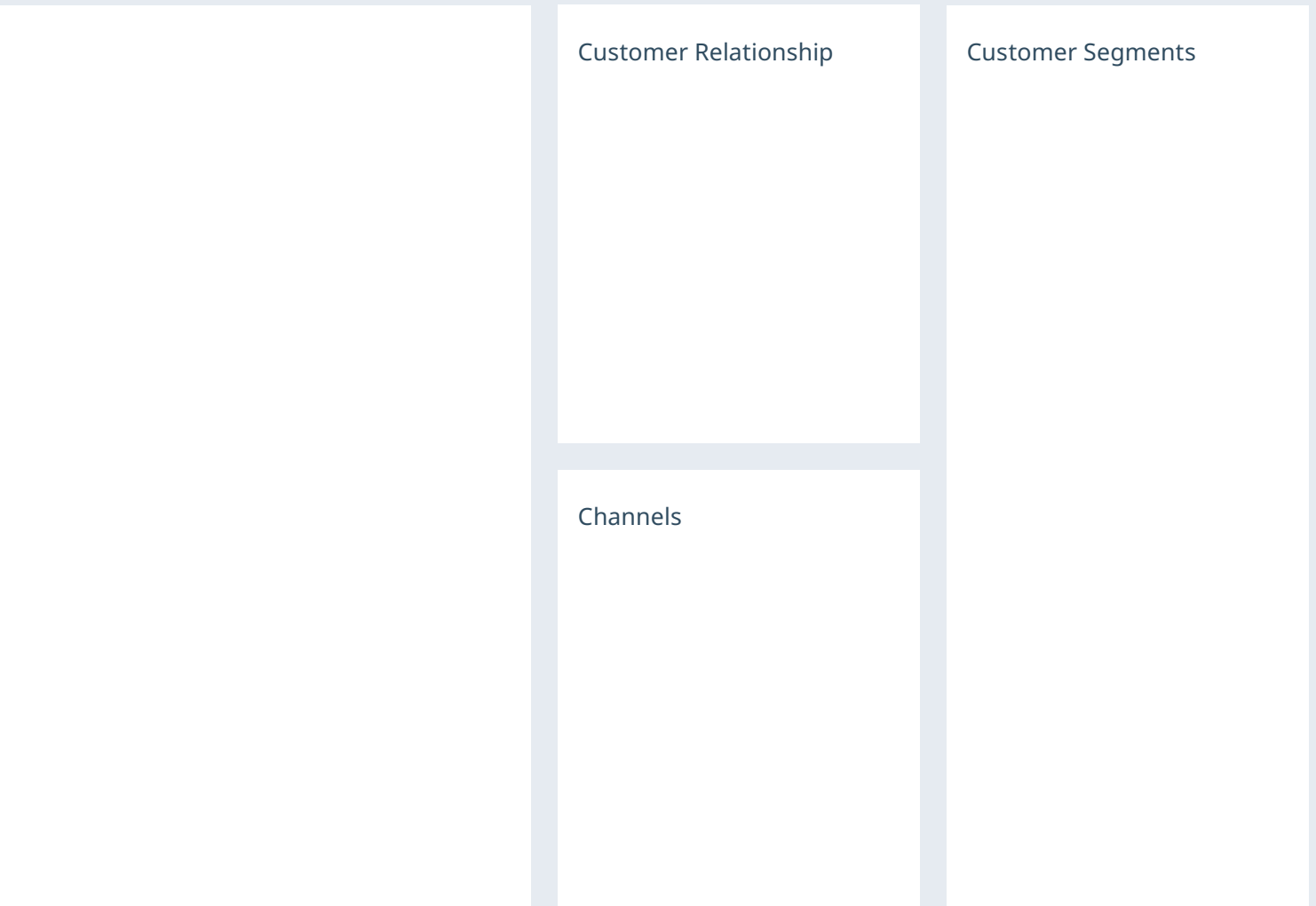
### 3. Canvas for business models

We included the canvas for business models in this publication in this publication because we think it is a useful tool for visualizing the business model at a glance. It was first developed by Alexander Osterwalder — a Swiss business theorist, author, speaker, consultant and entrepreneur — together with computer scientist Yves Pigneur in 2010.

You can find the key questions to fill out the canvas here:  
[www.strategyzer.com/canvas](http://www.strategyzer.com/canvas)

## Canvas for business models





Revenue Streams

Source: Freiling, Jörg et al., *Entrepreneurship*, p. 124

#### **4. Viability Assessment Map — VAM360°**

**Media viability is the ability of media outlets and media landscapes to produce high-quality journalism in a sustainable way. DW Akademie has developed a self-assessment tool called VAM360° that helps media outlets to get an overview of their own viability, analyze their business from a viability perspective, and identify areas where improvements are needed.**


**For more information, please contact**  
[dw.akademie.media-viability@dw.com](mailto:dw.akademie.media-viability@dw.com)





## Viability Assessment Map – VAM360°


Do you need support to analyze your media outlet's viability? This self-assessment form will help you get an overview!


**1. Problem |** What are the top three issues you want to solve with your activities? 

1.

2.

3.

**2. Solution |** What is your solution? 

**3. Unique Edge |** Why are you the one who can solve this problem? 



## VAM360°

### 4. Audience | What are the top three audience groups that you want to reach?



1.
2.
3.

### 5. Engagement | How do you reach and engage with your audience?



### 6. Viability Components



#### Tech and Innovation | What are the most important technological challenges you are facing?

#### Security | What physical and digital threats are you facing?



VAM360°

**Legal | What legal threats are you facing?**

**Organization and Business Model | What processes are in place to manage and develop your organization?**

**Team | What skills are the strongest in your team? What are the weakest?**

**Partners | Who is helping you to move forward?**

**Environment | What is the general political, economic, legal environment in which your organization is operating?**



## VAM360°

### 7. Revenue | How do you make money? What are the most important revenue streams?



### 8. Costs | What do you spend your money on?



### 9. Success Metrics | What do you want to achieve? How will you know that you are successful?



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DW Akademie is a strategic partner of the German Federal Ministry for Economic Cooperation and Development. We also receive funding from the Federal Foreign Office and the European Union and are active in approximately 50 developing countries and emerging economies.



SAVE



E-MAIL



PRINT

## 5. Media Viability Indicators (MVIs)

For a media business to thrive, it is important to understand the political and economic environment in which your media outlet is operating. DW Akademie's Media Viability Indicators (MVIs) framework enables you to get a comprehensive picture of the country's media sector. Additionally, it allows for assessing individual media outlets' viability as it is possible to pick and apply only the indicators focusing on media houses. Finally, it shows the various aspects that affect a media business.

If you want to know more about how to apply the different indicators and sub-indicators, read the detailed methodology:

[www.dw.com/downloads/53899319/mvimethodology2020-06-22.pdf](http://www.dw.com/downloads/53899319/mvimethodology2020-06-22.pdf)





## 1. POLITICS

1	<b>Rule of Law</b> Government actions are determined by laws that are fairly applied and enforced.
2	<b>Freedom of Expression</b> The country has a strong legal framework supporting freedom of expression.
3	<b>Access to Information</b> Citizens and journalists can access public information.
4	<b>Legal Equality</b> Laws and regulations affecting news media organizations are comparable to those applied to other industries and are impartially enforced.
5	<b>Media within Society</b> Relations between government and news media organizations are mutually respectful and professional.





## 2. ECONOMICS

6	<b>National Economy</b> The national economy is strong enough to make news media organizations financially viable.
7	<b>Financial Stability of News Media Organizations</b> News media organizations are financially stable.
8	<b>Financial Independence of News Media Organizations</b> News media organizations' sources of capital do not constrain their editorial independence.
9	<b>Competition</b> Moderate competition among news media organizations exists, allowing for quality journalism.
10	<b>Audience Demand</b> Audience demand for quality journalism content supports a strong news media industry.



## 3. COMMUNITY

11	<b>Citizen Education</b> Citizens are able to consume and evaluate the quality of news and information content across multiple platforms.
12	<b>Social Cohesion</b> Society is generally cohesive and peaceful, with the majority of citizens sharing accepted political and social values across diverse ethnicities, political and religious affiliations.
13	<b>Trust and Credibility</b> Citizens have a generally high level of confidence in the credibility of news media organizations and their content.
14	<b>Participation</b> Citizens contribute to the content produced and distributed by news media organizations.
15	<b>Audience Data</b> News media organizations have regular access to reliable data about audiences and their media uses.

 <b>4. TECHNOLOGY</b>	
16	<b>Production and Distribution Resources</b> News media organizations have access to the necessary production and distribution resources.
17	<b>News Media Organizations' Access to Technologies</b> News media organizations' access to production and distribution technologies is fair and apolitical.
18	<b>Audience Access to Technologies</b> Citizens can access and afford the technologies over which news media content is distributed.
19	<b>Digital Expertise</b> News media organizations have the technological expertise to optimize their use of digital production, distribution, and management technologies.
20	<b>Citizens' Digital Rights</b> The government, news media organizations, and private companies respect citizens' digital rights, allowing them to communicate freely and safely online.
 <b>5. CONTENT AND EXPERTISE</b>	
21	<b>Quality Content</b> The public has access to quality news media content.
22	<b>Journalism Expertise</b> News media organizations have the necessary structures as well as professionally educated and trained journalists to produce high quality content that meets international standards.
23	<b>Ownership of News Media Organizations</b> Ownership of news media organizations is transparent and does not prevent diversity of perspectives or quality journalism.
24	<b>Business Structure</b> News media organizations have the structures to be viable.
25	<b>Business Expertise</b> News media organizations have the personnel and expertise to be strategically and financially viable.

## 6. The value of memberships

The Membership Puzzle Projects collects and analyzes best practice examples of successful membership campaigns. The following worksheet is intended to help reveal potential members' motivations, behaviors, attitudes, and unmet needs, and can help you to understand what your (prospective) members consider to be of value.

To find out more about the Membership Puzzle Project and other membership research, please visit:

<https://membershippuzzle.org/articles-overview/2017/4/4/hack-our-user-research-material>

*the*  
**MEMBERSHIP  
PUZZLE  
PROJECT**

1 = not important  
3 = very important

## WHAT DO YOU VALUE IN YOUR MEMBERSHIP?

Please assign a 1 - 3 value according to how important these factors are in choosing the organizations and causes that you give your time, money, and/or ideas to:

①   ②   ③

A sense of affiliation or belonging

①   ②   ③

Ability to interact with reporters

①   ②   ③

Feeling that my concerns are heard by the organization

①   ②   ③

Offering the world something that I think should exist

①   ②   ③

Makes things easier and reduces effort  
(i.e., not having to work around paywall to view articles)

①   ②   ③

Exclusive or VIP access  
(i.e., members-only content and access to staff)

①   ②   ③

Advocacy on my behalf

①   ②   ③

Staff diversity

①   ②   ③

A sense of uniqueness/something I can't get anywhere else

①   ②   ③

Being connected with other members or other like-minded people

①   ②   ③

Events/opportunities to connect in person and online

①   ②   ③

Interactions with like-minded organizations  
(i.e., member discounts at local businesses or partnerships with other organizations that share values)

①   ②   ③

Merchandise / physical branded goods

①   ②   ③

User experience, including ease of use and visual appeal

①   ②   ③

Appropriate price

①   ②   ③

Other factor(s) \_\_\_\_\_

Source:

## **7. Reading list for digital media entrepreneurs**

**Many interesting and relevant books and articles have been published to help digital media entrepreneurs. The attached list is far from comprehensive, but it provides inspiration for those interested in specific aspects such as investment, media viability, or keys to survival. The collection includes articles and book titles published up to July 2020. We have no doubt that there will be many more to come after the publication of this handbook.**



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