

# The Revenue-Driven Mandate for Portfolio Development

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The International News Media Association (INMA) is the leading provider of global best practices to grow revenue, audience, and brand for news media companies. With more than 5,000 members in 80+ countries, INMA provides media executives with unparalleled access to ideas and peers to help grow their business in transformational times. For complete information on INMA membership, go to [www.inma.org/membership](http://www.inma.org/membership). The 83-year-old INMA has offices in Dallas, Antwerp, and New Delhi.

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# Executive Summary

Media companies are no strangers to developing new products and testing them in the marketplace. In many cases, those products have enjoyed significant success. They leverage their parent companies' core competencies in identifying the right audience and developing the best products to meet their needs. They also provide new sources of revenue and new ways to better serve advertisers and readers.

The core business model for news media organisations, however, continues to erode in many countries worldwide.

Whether a media organisation derives the majority of its revenue from print advertising and circulation, or a combination of the two, traditional revenue sources continue to decline as audiences move to the less profitable online space.

Therefore, it has become all the more important to develop new products that offset revenue shifts, sustain existing audiences, and attract new ones. To have a lasting impact, new product development must become a strategic practice in its own right. It must also become a central part of a news media company's overall, long-term, strategic focus.

In growing numbers of media companies around the world, new products are conceived as part of a sophisticated pipeline process. Companies evaluate new product ideas against the full spectrum of services they already provide. They have a broader strategic goal of developing a diversified portfolio of products that protect the core business and reach out to new audiences in new ways.

While some ways are familiar plays for existing audiences, others take significant risks to capture market share or mindset. But when considered as part of a continuum of products and services, they can provide a roadmap for long-term sustainability and profitability.

This report addresses new products, revenue diversification, and portfolio

development, while laying out the rationale behind a strategic approach to product development. It will explain how other news media companies have diversified their revenues and includes the steps of their product development processes. It will also address how to manage at a high level — from launch to next generation.

We have tapped the knowledge of savvy product developers from around the world, identifying key ideas they emphasise — especially an organisational culture that fosters effective innovation — and potential pitfalls they warn against. The 10 media companies whose expertise is shared in this report include:

- ▶ Toronto Star, Canada
- ▶ Schibsted, Norway
- ▶ Dainik Bhaskar Group, India
- ▶ Singapore Press Holdings
- ▶ Grupo Epensa, Peru
- ▶ News Corp.
- ▶ The Globe and Mail, Canada
- ▶ Chicago Tribune, USA
- ▶ The New York Times Company, USA
- ▶ The Dallas Morning News, USA

In developing a more sophisticated pipeline for new media products, the goal for news media organisations must be to both build on and sustain the core business. They must also be willing to make significant changes to their overall culture and strategic goals to support and sustain a continuous focus on innovation that extends beyond any one product, or even a pipeline of products. ▲