



Risky Business: John Harris, Jim VandeHei, and *Politico*

Part A

Late at night on January 21, 2007, John Harris and Jim VandeHei sat surrounded by marked-up sheets of paper. Only two months earlier, the two had left high-profile jobs at the *Washington Post* to start a new multimedia publication—part website, part newspaper—focused on Washington politics, and especially the upcoming 2008 presidential election. To their satisfaction, they had managed in a very short time to attract other well-reputed political journalists with the kind of name recognition the entrepreneurs hoped would draw devoted readers. Those reporters would bring credibility and prestige to the new Web-based news operation, dubbed *Politico*.

Harris and VandeHei had felt themselves fortunate in November 2006 to secure startup funding from Allbritton Communications, a company that ran television stations. Admittedly, they had had to make a small adjustment to their dream. Harris and VandeHei had envisioned a website devoted to the kind of news that absorbed those who worked on Capitol Hill. But Robert Allbritton, who owned Allbritton Communications, had long wanted to own a Capitol Hill newspaper, and had even gone so far as to assemble a small staff of young reporters. In exchange for financing their Web operation, he asked Harris and VandeHei to run the paper he had decided to start. It seemed a reasonable trade, and the two agreed—especially after Allbritton convinced them that advertising revenue from the newspaper could help make their enterprise self-sustaining within a few years.

Harris and VandeHei wanted to launch their website on January 23, 2007—the date of President George W. Bush’s State of the Union speech. They decided that the newspaper, also called *Politico*, would launch the same day. The date would underscore the publication’s focus on Capitol Hill. It also marked the unofficial beginning of the 2008 presidential campaign, which promised to be a nearly two-year event. That left them barely two months to address the technical, financial, and personnel challenges of starting a new business. They had to assemble a staff of well-known political reporters, prepare to launch the website, and fill a newspaper.

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By Sunday, January 21, they were impressively on schedule to meet their goal. That evening, the two partners sat down to review for the first time the copy for the inaugural newspaper edition. Allbritton's staff of reporters had been working on the stories for weeks; website content would not be the same as the newspaper content. Harris and VandeHei had originally planned to write pieces for the front page themselves, and fill the rest of the newspaper with stories from Allbritton's staff. But as the two paged through the copy, VandeHei watched the color drain out of Harris' face. The stories were poorly written, full of errors, and in some cases incoherent. The two did not have time to rewrite all of the stories—and some, in their estimation, were not good enough to use even if they did rewrite them.

Both men were exhausted from the efforts of the last 60 days. Under the pressure of ramping up, each had suppressed the very real doubts they had about their ability to run a business. Now, to their astonishment, it was not the unfamiliar marketing, technological or human resources aspects of their new business which threatened to sabotage their venture before it had even begun. They were choking on the editorial piece—the area of their greatest expertise. They had two days to fix it, brace for embarrassment, or postpone launch. At the *Post*, none of this would have been their problem. Each wondered if they had made a terrible mistake.

A changing industry

Both Harris and VandeHei came from traditional newspaper careers at the distinguished *Washington Post*. VandeHei had joined the *Post* in 2002, having reported for *Roll Call* and the *Wall Street Journal*; Harris had started at the *Post* as a summer intern in 1986 and spent his entire career there. In the spring of 2005, Harris decided to accept a promotion to the position of national politics editor. It was not an easy choice for him—he had spent nearly 20 years as a reporter and writer. In all that time, he says, “I never had any particular administrative interests, or, incidentally—I think people around me would confirm this—any particular administrative talents.”¹

But Harris had grown bored. He recalls: “Reporting and writing was becoming too familiar, too easy, and insufficiently satisfying.” He was also keenly aware that under the pressure of the Internet, the business of journalism itself was changing, and he wanted to play an active role in helping the *Post* maintain its storied place in political, national, and international news. As an editor, Harris felt he would be in an ideal place to observe and help direct some of the changes taking place within the *Post* and in the industry at large.

One of Harris' national politics reporters was VandeHei. Through the second half of 2006, the two had frequent discussions about the changing industry, and their own newspaper's slow

¹ Author's interview with John Harris, on February 25, 2009, in Washington, DC. All further quotes from Harris, unless otherwise attributed, are from this interview.

adaptation to the new reality. As new ways of delivering news proliferated, they saw the *Post* challenged on a number of fronts in which it had once been dominant. Harris says:

We both felt that the... *Post's* achievements day in and day out were not as strong as its reputation. We both felt that the *Post* was adapting with insufficient creativity and speed to the way the Web was transforming journalism, transforming the audience's relationship to the journalists and work they do, changing the impact that certain kind of stories had versus others.

Revenues. For one thing, says Harris, "the financial model that made the *Post* a huge success was under radical stress." Newspaper circulation was declining across the industry, and this trend had a double effect on the way newspapers made money. It meant, first, that newspapers made less money in subscription fees as readers shifted to free sources of news on the Internet, often websites paid for by the newspapers themselves.² But newspapers earned only about 20 percent of their revenue from subscriptions.³ The rest came from advertising. Advertisers, however, recognizing that print readership was declining, increasingly acquired ad space in less expensive, more frequented venues—often on the Internet.

In particular, newspapers' historical preeminence in classified advertising—categorized listings of jobs, real estate, and merchandise—was under severe threat from websites such as Craigslist.org, Monster.com, and eBay.com, which offered searchable databases of advertisements. In 2005, classified advertising netted daily newspapers \$17.3 billion—36 percent of their total advertising revenue that year.⁴ Even then, however, online classified advertising was steadily siphoning ad revenue growth away from newspapers.

Though newspaper sites themselves claimed a large share of the growth in online advertising, the gains were insufficient to offset the slump in paper advertising because online ad rates were significantly lower. At the end of 2006, online newspaper revenue had grown at an average annual rate of nearly 30 percent for five years. Nevertheless, annual growth in overall

² An Audit Bureau of Circulations report dated October 30, 2006, showed that the *Washington Post's* average daily circulation had declined 3.3 percent from the previous year, http://www.mediabistro.com/fishbowIDC/news_notes/ ouch_46431.asp.

³ In 2000, advertising industry-wide accounted for 82 percent of newspaper revenue, with circulation providing the other 18 percent. See: Robert G. Picard, *Evolution of Revenue Streams and the Business Model of Newspapers: The US Industry Between 1950-2000*, Business Research and Development Center, Turku School of Economics and Business Administration, Turku, Finland, 2002. Cited in Philip Meyer, *The Vanishing Newspaper*, University of Missouri Press, 2004.

⁴ Project for Excellence in Journalism, State of the News Media 2007, http://www.stateofthemedias.org/2007/narrative_newspapers_economics.asp?cat=3&media=3.

advertising had slowed to a standstill and looked poised to turn into outright decline.⁵ Summarized the Project for Excellence in Journalism:

Unfortunately, after all that growth, online typically still contributes only 6 percent or 7 percent of ad revenues. So while developing the new platform, papers can ill afford to take their eye off the ball of a print operation that constitutes 94 percent of the business.⁶

Newspapers had tried to raise revenue by offering specialty products to certain segments of their audience. So-called “niche” publications were an efficient and cost-effective way for advertisers to reach consumers likely to buy their products. The Washington Post Company, which owned the *Washington Post*, had captured some advertising revenue with free publications about cars, retirement, and real estate.⁷ Industry-wide, niche publications and online advertising were becoming newspapers’ only reliable source of advertising revenue growth.⁸

Costs. Meanwhile, though new technologies had eased some of the costs of distribution, producing news—which meant maintaining a staff of reporters, editors, and burgeoning Web departments; financing bureaus nationwide and overseas; and paying for newsprint, paper, and delivery—remained expensive. Faced with declining revenues, newspapers had struggled to preserve profits by reducing costs: cutting staff, closing bureaus, and in some cases cutting back paper circulation. Yet as they did so, they risked reducing the quality of their news product to a point that would drive away subscribers in even larger numbers.

Having influence

Individual brands. By early 2006, Harris thought he had identified two trends changing the character of competition among media. One was the very nature of the competitors. Harris saw more and more writers develop as individuals the kind of influence and large readership traditionally enjoyed only by larger institutions, like the *Washington Post*. He knew many such writers personally. “The institutional brand you were affiliated with [used to be] the most important thing about you,” Harris observes. Yet he now noticed that “there were people who were developing brand names and franchises to themselves that were quite independent of whatever institutional platform they worked for.” The Web had been a part of this transformation,

⁵ Newspaper Association of America, Advertising Expenditures, <http://www.naa.org/TrendsandNumbers/Advertising-Expenditures.aspx>.

⁶ Project for Excellence in Journalism, State of the News Media 2007, http://www.stateofthemediamedia.org/2007/narrative_newspapers_economics.asp?cat=3&media=3.

⁷ Jack Shafer, “Unbundle. Rebundle.” *Slate*, February 10, 2005, <http://www.slate.com/id/2113319/>.

⁸ Project for Excellence in Journalism, “Newspaper Newsroom Investment 2006 Annual Report: Online and Niche Publications,” <http://journalism.org/node/680>.

rendering it easy to read the work of a favored correspondent or commentator without necessarily consuming the rest of the publication in which it appeared.

Among his friends and acquaintances who followed or practiced political journalism, it was increasingly individuals, rather than the institutions for which they worked, whose opinions shaped the dialogue. Referring to *Time* magazine political commentator Mark Halperin, Harris notes that “[they would ask] ‘What’s Halperin’s take on this?’ Not, ‘What’s *Time* magazine’s take on this?’”

At the same time that there were some star writers who outshone their institutions, there were others who simply made their own institutions. Josh Marshall, a former editor for the liberal magazine the *American Prospect*, had begun his own blog, “Talking Points Memo” (TPM), in 2000. By 2006, Marshall had been able to hire additional reporters. TPM had broken several stories of national significance, and was often cited in other media.⁹ Marshall’s was a small operation with a major impact. More than that, while stagnating ad revenues menaced newspapers, Marshall’s blog—financed by a blend of niche advertising and voluntary reader contributions—was self-sustaining and growing. Observes Harris:

[Marshall] doesn’t need the *New York Times* platform to give him influence and the ability to drive conversation among people... He built his own brand. That’s a huge change... if you compare who had influence and how they got that influence in context with let’s say 1985 which was when I first came to the *Post* as a summer intern.

If institutions continued to decline in influence and importance relative to individual writers, Harris feared, it could be another sign of trouble for the *Washington Post*.

Stories that “pop.” The other trend Harris discussed with VandeHei was that certain stories seemed to have more impact than others. They attracted thousands of readers, were frequently emailed, and were discussed on television news. Harris and VandeHei felt that in a glutted news environment, original analysis and a distinctive writing style were critical to winning the competition for reader attention. VandeHei felt that readers took no pleasure in the neutral tone of much newspaper writing, what he called the “voice-of-God” style. He thought it bland and inaccessible. Moreover, both he and Harris felt, it was no longer enough for a newspaper simply to recount events when readers could get breaking news from any number of sources. A news organization needed to provide a service for which readers could not easily find a substitute. Harris reflects:

Day in and day out, the *Post*, the *Times* and others were not really organized around creating that sort of distinctive original journalism.

⁹ David Glenn, “The Marshall Plan,” *Columbia Journalism Review*, September/October 2007.

Most of their work was on doing the stuff that 20 years ago was important but in this environment is more of a commodity.

An idea

As Harris and VandeHei discussed these trends, they considered what kinds of journalistic and business innovations could deliver profits for media products. Clearly, online and niche publications were making inroads. Some publications, like Marshall's "Talking Points Memo," reaped the advantages of both—the targeted advertising of niche publications and the inexpensive, wide distribution the Internet allowed. VandeHei later noted:

The new media formula is pretty simple: If you can build a desirable audience that a class of advertisers wants to reach, you have a darn good chance at success. Advertisers want efficient ways of reaching their target audience, and niche sites offer it (if you can build a big enough audience).¹⁰

Maybe, Harris and VandeHei discussed, politically engaged readers fascinated by the workings of the federal government might represent a specialized audience attractive to advertisers. If a media entrepreneur could create a website and hire a handful of well-known, widely read political reporters to write for it, surely a large and loyal audience was out there. That audience, in turn, would attract advertisers. With a small staff and single-subject focus—and without the cost of newsprint and paper distribution—such a website would not cost as much to operate as larger news organizations, and would bring in a healthy stream of revenue. The publication could even challenge the *New York Times* and the *Washington Post* in political reporting. Its reporters would likely be sought after as commentators on television political talk shows, attracting still more audience to the site.

In summer 2006, VandeHei made a bold suggestion. What if he and Harris started this website themselves? As top political correspondents at the *Washington Post*, they qualified as two of the brand of well-known reporters that could attract readers. The two of them had personal connections with other influential political writers. VandeHei's friend Chris Cillizza had joined the *Washington Post* as a politics blogger in fall 2005 and had gained a large following. Chuck Todd, an acquaintance of Harris and VandeHei, was the editor-in-chief of *National Journal's* "The Hotline," a Web-based politics news source aimed at policymakers and the news media. Harris and VandeHei were also close friends with Mike Allen, a well-known political reporter at *Time* magazine who had previously worked at the *Washington Post* and who was legendary in the Washington media for his marathon work hours.

¹⁰ Glynnis MacNicol, "Four Questions for *Politico's* Jim VandeHei," *FishbowlDC*, September 22, 2008, http://www.mediabistro.com/fishbowlny/newspapers/four_questions_for_politicos_jim_vandehei_95220.asp.

Harris and VandeHei thought it would take only about a dozen writers to staff the kind of website they envisioned. The website could devote one blog to covering the Democrats, another to the Republicans, and a third to Capitol Hill. It could incorporate video and provide space for readers to interact with reporters and each other. Their idea, VandeHei recalls, was:

You give us six stars and six rising stars, and we'll change the world...
And because people already know us, people are going to link to us, and
people are going to have us on TV. And it will all be self-reinforcing.¹¹

Mid-2006, moreover, seemed the ideal time to get started. The race to win the 2008 presidential election, two years away, was already beginning. Hillary Clinton, former first lady of the United States and a Democratic senator from New York, was widely thought to be preparing a run for the presidency. If elected, she would become the first female President of the United States. Another potential contender was Barack Obama, a first-term Democratic senator from Illinois. Should he choose to run and get elected, he would become the first African-American President of the United States. The election promised to be historic and, in the shorter term, much-discussed.

VandeHei had few doubts that he and Harris could succeed with the political website they were discussing. By October, he was urging Harris to talk to venture capitalists to see if any would be willing to provide them startup money. Harris was cautious. He had spent his entire career at the *Washington Post*, and had only recently accepted a job as editor. He was reluctant to leave, essentially to start a competing publication. But there seemed no risk in simply discussing a business plan, and a friend of his was well-connected in the venture capital world. He set up a meeting.

Allbritton Communications

Across the Potomac River from the *Washington Post*, in Arlington, Virginia, Robert Allbritton wanted to start his own new political news product. The 35-year-old Allbritton owned Allbritton Communications, a profitable television empire that included Washington, DC's ABC affiliate, Channel 7, as well as eight other ABC stations around the country, from Alabama to Arkansas, Oklahoma, Pennsylvania, and South Carolina.

Allbritton Communications was a family-owned company, previously operated by Robert Allbritton's father, Joseph. When he first began accumulating media properties in the 1970s, Joe Allbritton briefly owned the Washington, DC, paper the *Washington Star*.¹² He sold the *Star* to Time Incorporated within a few years; Time shut down the newspaper a few years after that. Robert

¹¹ Author's interview with Jim VandeHei on March 24, 2009, in Washington, DC. All further quotes from VandeHei, unless otherwise attributed, are from this interview.

¹² David Montgomery, "The Bank of Dad," *Washington Post*, June 23, 2004, <http://www.washingtonpost.com/ac2/wp-dyn/A62544-2004Jun22>.

Allbritton, who had since taken the helm of Allbritton Communications, wanted to acquire his own DC newspaper—preferably covering Capitol Hill.

There were already two newspapers that covered Capitol Hill exclusively. *Roll Call* was founded in 1955 to cover Congress. Former *New York Times* reporter Martin Tolchin founded a competing publication, *The Hill*, in 1994. In 2006, *The Hill* had the higher circulation of the two, but *Roll Call*, perceived as the dominant newspaper in the market, was more profitable. Both benefited from DC's unique market of advertisers, which included lobbyists and interest groups eager to influence Congress by advertising in the newspapers its members read. Moreover, because *The Hill* and *Roll Call* had small circulations—both under 25,000—their advertising rates were lower than in more widely-circulating national newspapers such as the *Washington Post*. A full-page advertisement in either of the two Capitol Hill papers cost around \$10,000; it could cost 10 times that amount for a full-page advertisement in the *Washington Post*. The Capitol Hill papers' narrow audience and cheap ad space made them attractive to advertisers intent on reaching members of the government.

In 2005, Allbritton investigated buying *The Hill*, but balked at the price tag of \$40 million. He reasoned that it would cost under \$10 million to start his own newspaper, and that there were likely more than enough wealthy and willing advertisers to support a third newspaper on Capitol Hill. He could also entice advertisers with packages—space both in his new newspaper and on Allbritton television stations.

In September 2006, he announced via press release that Allbritton Communications planned to launch a new newspaper, the *Capitol Leader*, in November 2006. He had recruited *The Hill*'s Tolchin, who had retired in 2003, to help him start the newspaper.¹³ Tolchin planned to recruit a staff of about 14 young reporters, whom he could hire at relatively low salaries, and a few editors.¹⁴ He also hoped to hire an executive editor to manage the paper's overall daily content; Tolchin himself wished to retire again soon after the newspaper launched.¹⁵

Forging a plan

Harris and VandeHei had heard of Allbritton's plans—he had spoken to a few colleagues of theirs as he tried to recruit staff for his new venture. Harris recalls: "I was watching it with curiosity because this wasn't obvious to me... We've got two sort of lame newspapers up on Capitol Hill, who the hell needs a third?" In September, *Capitol Leader* Editor Tolchin asked VandeHei over lunch whether he would be interested in running the newspaper. VandeHei had

¹³ Chris Kirkham, "Yet Another Newspaper Aimed at Capitol Hill," *Washington Post*, September 6, 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/09/05/AR2006090501376.html>.

¹⁴ Chris Kirkham, "Yet Another Newspaper Aimed at Capitol Hill."

¹⁵ Harry Jaffe, "Politico Hopes to Rock Washington Media," *Washingtonian*, January 22, 2007, <http://www.washingtonian.com/articles/mediapolitics/3148.html>.

no interest. At the same time, he found it encouraging that Allbritton was willing to invest in a news startup. Perhaps that meant there were others who might want to fund his and Harris' website.

VandeHei and Harris were meanwhile trying to fashion a business plan. On Saturday, October 28, 2006, the two met with a venture capitalist in a basement in McLean, VA. The venture capitalist set up easels and began to sketch the components Harris and VandeHei's new company would require. As the diagram gathered detail, Harris and VandeHei studied it with growing unease. They gradually realized that their area of expertise—political journalism and its most popular reporters—represented a tiny fraction of the business in which it would be embedded. It appeared to be the easy part—Harris and VandeHei would have to offer salaries commensurate with or higher than those at the top news organizations in the country if they hoped to attract well-regarded reporters. As Harris recalls, the venture capitalist said: "Ok, you want to hire this number of reporters at x price, good, ok, we can do that."

"Then," Harris remarks, "it was on to all kinds of other stuff that we didn't have expertise in or even much thought about." They needed a chief financial officer to manage their expenses and revenues. They needed a sales team to court advertisers. They had to decide how much money to allocate for Web development, and whether or not to keep a Web team on staff—expensive but convenient, particularly in emergencies, or hire outside consultants—cheaper but not always available at a moment's notice. They needed someone to set up and maintain their internal computer system. They would have to find an office—space was more expensive in downtown Washington, so perhaps they should consider the nearby suburbs in Maryland or Virginia. They needed legal counsel—both for the business side and the journalism side—and a benefits manager. There also remained the matter of finding an investor to fund the publication.

VandeHei and Harris had entered the meeting with a staff structure in mind—the two of them, 12 writers, and a handful of support staff. It now appeared impossible to run a company that way. VandeHei recalls: "Next thing you know, he's sketched out... essentially a company of 48 employees with a budget of several million dollars." Remembers Harris: "We were... faced with the sort of prosaic reality."

Harris and VandeHei feared that, on their own, they lacked the expertise to staff and start their new venture. In any case, it might be impossible to do it in time to cover the 2008 presidential election. Harris and VandeHei wanted to launch the website by early 2007. The President's State of the Union address in January was always heavily covered in the political press—and Harris and VandeHei thought tying their political news site's launch to that event would earn them some helpful publicity.

But their entire model depended on luring established reporters to join them. How could they convince well-reputed writers, all of them with secure jobs, to risk joining a startup right

before an election, especially if they hadn't yet assembled the infrastructure to make the project work? Harris and VandeHei were considering taking a tremendous risk of their own—but could they rely on other reporters to do the same thing?

Teaming up

The complicated reality of their simple vision chilled Harris' and VandeHei's enthusiasm considerably. Both had their hands full at the *Washington Post* as the 2006 midterm congressional election approached. *Capitol Leader* Editor Tolchin, meanwhile, had recruited a small staff of about a dozen writers—mostly young reporters from *The Hill* and *Roll Call*—and a few editors for Allbritton's newspaper, but still sought an executive editor. Allbritton's planned start date in November now seemed impossible. Tolchin convinced Allbritton to try to recruit VandeHei himself. They set up a meeting for early November.

VandeHei by then had a clear idea what kind of publication he wanted to start, and how he hoped to staff it. He did not find Allbritton's plan for another Capitol Hill newspaper compelling. In his view, it would be a mistake for Allbritton to launch a primarily paper media product in a multimedia world. "Why do it?" he recalls asking. "If you're going to do something... spend four times that amount, and I'll give you something that really would sort of change this market."

Allbritton was intrigued by VandeHei's ideas, but not willing to abandon his own entirely. He didn't see as much potential for profit without a paper product—online advertising was priced too low to support a publication on its own. "You can get infinitely more advertising money if you have a print product," Allbritton noted later.¹⁶ Allbritton proposed merging his newspaper with VandeHei's and Harris' website.

VandeHei returned to the newsroom and told Harris that their project might have found a backer. Harris met with Allbritton the next day. By November 9, Allbritton had given Harris and VandeHei an offer: he would fund their website; they in turn would run his newspaper. He would provide them with the resources to offer high salaries to top reporters. Those reporters would appear frequently on Allbritton television stations to discuss their stories and promote the website. Allbritton had also struck a deal with CBS News to give *Capitol Leader* reporters regular appearances on CBS news programs, including its Sunday political talk show, "Face the Nation." Suddenly, says Harris:

All those questions... [about] the business plan, all those were answered...
We don't have to worry about getting office space, we don't have to worry
about hooking up computers... We would be in a new venture with all the

¹⁶ Kathy Kiely, "Politico Mojo," *American Journalism Review*, February/March 2007, <http://www.ajr.org/Article.asp?id=4265>.

possibility of a startup but within the context of an established and profitable venture, i.e. Allbritton Communications.

The *Post* counteroffers

On November 10, Harris told *Washington Post* Managing Editor Philip Bennett that he was considering leaving the newspaper to start his own publication. The timing was awkward. Managing Editor Bennett and Executive Editor Leonard Downie, Jr. had been planning to have a discussion with Harris soon about organizing the *Post*'s coverage of the 2008 election, both online and in print. They hoped to add staff to the Web side and place a heavy focus on washingtonpost.com.

Now the *Post* editors had to try to convince Harris and VandeHei, two of their top political correspondents, to stay at the newspaper. Bennett, Downie, and Publisher Donald Graham had frequent conversations throughout the week of November 13 about what it would take to keep Harris and VandeHei at the paper. They offered to hire the reporters Harris and VandeHei wanted to recruit, and give the two of them substantial autonomy running washingtonpost.com's politics coverage.

Harris was tempted to remain at the *Post* and try his and VandeHei's multimedia experiment there. For one thing, the brand name of the *Washington Post* would be more likely to attract the journalists on which the enterprise depended than would a new news venture with no brand of its own yet. Harris, having spent his entire career within the *Post*, also found the idea of leaving the newspaper personally wrenching. His colleagues were some of his closest friends and mentors. Editor Downie in particular had nurtured Harris as a writer and reporter from the beginning. Now Downie was urging him to stay. Harris recalls: "These were all people that I looked up to intensely, so all these conversations were difficult for me."

Downie also drew Harris' attention to other online political publications that had started and fizzled. PoliticsNow.com and AllPolitics.com were both online political news sources that had started during the 1996 presidential campaign and failed to last beyond it.¹⁷ Downie recalls:

I pointed out that the television station that [Allbritton] had, Channel 7 here, was struggling in the ratings. I didn't know how it was doing financially. And that these sorts of things had not succeeded in the past once the election was over. It earned a lot of splash during the election, and a lot of money up front. And you'll get some extra money out of it,

¹⁷ Kathy Kiely, "Politico Mojo."

but what will be your career trajectory? Will this thing last beyond the election campaign?¹⁸

Over an agonizing three-day period, Harris and VandeHei debated what to do. The discussions culminated on Saturday, November 18, when VandeHei visited Harris' house in Alexandria, Virginia. The two walked to Harris' favorite coffee shop, about a mile from Harris' house. Harris designated himself the devil's advocate to temper VandeHei's entrepreneurial zeal. VandeHei recalls: "I desperately wanted to [start a new website]... I agitated for it." VandeHei thought it unlikely that the *Post* would radically shift its attention to the Web in its political coverage, and that his and Harris' planned Web venture would be overshadowed by the *Post*'s tradition of newsprint. VandeHei felt that the *Post* was "a newspaper that also happens to be a website," and that the institution was not equipped to take full advantage of the Web's possibilities for interactive multimedia material.¹⁹

But Harris pointed out that launching the site within the *Post* would protect their jobs if their site's traffic plummeted after the election. Harris and VandeHei knew the *Post*, and the people who ran it, well. They had known Allbritton for only a few weeks. Could they really trust him? More broadly, could their plan succeed and have the kind of impact they envisioned, or were they miscalculating? What was the advantage of breaking free of the *Post*, other than the excitement of starting a new publication from scratch? Harris says:

I basically by the end of that walk had taken Jim [VandeHei's] enthusiasm and optimism and turned it into doubt and pessimism... And it really wasn't my goal, it was just really in the spirit of let's think of everything. Let's really kick the damned tires on this. Are we sure?

VandeHei returned home and shared his newfound doubts with his wife, who insisted that he would regret it if he missed the opportunity to launch his own publication. She wrote the same thing in an email to Harris and his wife. On Sunday, both men decided she was right.

On Monday, November 20, 2006, Harris and VandeHei announced that they were leaving the *Washington Post* to turn Allbritton's *Capitol Leader* newspaper into a multi-platform purveyor of political news.²⁰ Later that day, Editor Downie and Managing Editor Bennett sent a memo to the staff. The memo explained the *Post*'s plans for covering the 2008 presidential election on the Web and acknowledged Harris' and VandeHei's departure. It said in part:

¹⁸ Author's telephone interview with Leonard Downie, Jr., on March 16, 2009. All further quotes from Downie, unless otherwise attributed, are from this interview.

¹⁹ Matthew Barakat, "Political paper and website launches," *Associated Press* via *USA Today*, January 24, 2007, http://www.usatoday.com/tech/news/2007-01-24-politico-launch_x.htm.

²⁰ Patrick Gavin, "BREAKING: VandeHei, Harris Leave Washington Post to Start New, Multimedia News Venture," *FishbowlDC*, http://www.mediabistro.com/fishbowlDC/the_revolving_door/breaking_vandehei_harris_leave_washington_post_to_start_new_multimedia_news_venture_47850.asp.

We had hoped that John Harris and Jim VandeHei would help lead this effort on the web, but John and Jim have decided to join a new politics website. We will feel their departure keenly. John and Jim have been valued colleagues and friends to many of us. We're grateful for the fine journalism they've contributed to *The Post*.²¹

Launching

That day, Harris and VandeHei moved to their new offices in the Allbritton Communications skyscraper in Arlington, Virginia to start building their publication. Harris would be editor in chief; VandeHei would be executive editor. They intended to keep the small staff Tolchin had already assembled for *Capitol Leader* to write stories for the 24-page newspaper they had to fill. But their top priority was the website, which they expected to be an almost entirely separate product staffed by celebrated political journalists whose work they could showcase. The President's 2007 State of the Union address—their planned start date for both the newspaper and the website—was slated for January 23, 2007. That gave the two of them about two months to recruit top reporters and oversee the construction of their site.

Allbritton Communications Chief Technology Officer Ryan Mannion had been developing a simple website for the *Capitol Leader* in addition to overseeing the websites of Allbritton's eight television stations. But Harris and VandeHei did not intend simply to republish content from the newspaper on the website. They would, in fact, focus on producing Web content first. The newspaper, which would circulate only in DC, did not have the site's potential for a nationwide audience, and VandeHei and Harris felt that filling the newspaper's pages should come after building and filling the website. VandeHei later said:

Most media companies will say, "Yes, we're multimedia, we've got a newspaper and we've got a website," but most are built around the newspaper... They've got a newspaper; they've dumped the newspaper online. We're trying to build it from the other way.²²

Harris and VandeHei wanted the website to feature blogs by prominent journalists, video, and space for readers to comment on articles. Mannion recalls: "Originally [the *Capitol Leader*'s website] was supposed to be just a ninth website that I managed, and that quickly got out of hand. So I surrendered my other duties and went full time to [the *Capitol Leader*]."²³

²¹ Patrick Gavin, "BREAKING: VandeHei, Harris Leave Washington Post to Start New, Multimedia News Venture."

²² Kara Rowland, "Editor sees room for Politico coverage," *Washington Times*, January 21, 2007.

²³ Author's telephone interview with Ryan Mannion, on April 8, 2009, in Washington, DC. All further quotes from Mannion, unless otherwise attributed, are from this interview.

As the sole programmer on the project, Mannion had two major tasks to accomplish in a short period of time. He had to design the site that readers would see. But perhaps more importantly, Mannion had to build a content management system, or CMS, that would allow the site's writers to post their content to the Web quickly and also permit editors to make changes, corrections, or improvements. It would have to be easy to use, and it needed the capability to handle video, photography, and interactive elements. Mannion decided against buying ready-made content management software. He says:

When you're buying [software]... the evaluation period can be several weeks to several months, and we just didn't have the time... I knew that I could write it from scratch.

He knew this would be labor-intensive in the short term, but would make it easier to change the programming code and add or subtract components later. Mannion also told VandeHei and Harris that there was no way to produce a flawless website in the time he had. His priority was to give them a simple way to put their journalism on the Web by January 23. The three agreed that, in Mannion's words, he could "add bells and whistles as time permitted."

While Mannion built the site through November and December, often spending 18-hour days at work, VandeHei and Harris were also spending punishing hours in the office, focused on persuading top reporters to join them. They faced several early disappointments. A week after they joined Allbritton Communications, VandeHei's friend Chris Cillizza of the *Washington Post* told them he had decided to stay at the newspaper. *Hotline's* Chuck Todd, whom they had also hoped to recruit, accepted a job as a correspondent for NBC television. *Time's* Mike Allen had given VandeHei personal assurances that he would join their publication, but Harris was pessimistic that he would. *Time* was trying aggressively to keep him, and he had given neither outlet a firm commitment yet.

But there was good news as well. On December 8, VandeHei and Harris hired Kim Kingsley from the *Washington Post*. Kingsley had worked at the *Post* for two years, and her chief job was arranging television and radio appearances for *Post* reporters. Harris and VandeHei hoped that the exposure Kingsley could gain for their own reporters would help establish their publication as a destination for political news. On December 11, John Bresnahan, an associate editor at *Roll Call*, agreed to join them as Congress bureau chief. Finally, on December 13, to VandeHei and Harris' relief, Mike Allen formally agreed to join them as well, as chief political correspondent. He would in addition write his own White House column for *Time*. At the same time, Harris and VandeHei, in consultation with Allbritton, abandoned the name *Capitol Leader* and settled on a new one for their website and newspaper: the *Politico*.

The high-profile departures from established news outlets attracted a great deal of attention and press coverage. Harris and VandeHei took the opportunity to explain the *Politico* to

as many different publications as they could, including the *Washington Post*, the *New York Times*, the *Washingtonian*, and the Washington DC media website FishbowIDC. VandeHei says:

Right then people were starting to lose their jobs [in the media]. There was all this doom and gloom stuff, and then Jim [VandeHei] and John [Harris] leave [the *Washington Post*]. So instantly, everybody wants to write about it. And we just exploited the hell out of that.

By early January 2007, Harris and VandeHei had built a small staff of experienced reporters for their website. Those reporters pursued their stories mostly on their own as Harris and VandeHei concentrated on hiring and what VandeHei called “putting out fires”—trying to help Mannion correct the website’s technical problems while making what seemed like endless design and layout corrections, both for the website and the newspaper. Harris and VandeHei were growing worried as their launch date approached. They had never managed, let alone designed, a Web publication before—nor had their original plan accounted for the additional headaches of putting out a paper publication. VandeHei recalls the frustration he felt looking at mockups of the newspaper design:

We wanted to start like a cool website, and we’re spending all our time [on the newspaper, messing] around with like, wait, can you have adjacent headlines and a photo that’s looking off the page?... It was like putting out a college newspaper.

Moreover, the content side, which VandeHei and Harris thought they understood better than Web development and newspaper production, was also proving complicated. As January began and they started to turn their attention to reading and polishing the Web content their new hires had written, they realized that they had neglected to consider the proper number of editors and copy editors required to support their reporters. Now it was a process of trial and error. They were learning, VandeHei says:

There’s a whole process... for getting a story from, someone writes it. It has to go through an editor. Well, if that editor is not good, well, you’re screwed. If the copy editor who’s backing up the editor isn’t good, you’re screwed. If... the copy editor’s version can’t get into the newspaper, because someone at the production desk isn’t good, then you’re screwed. And if you don’t have a Web producer who can take stuff... and put it on the Web and actually dress it up with a picture and roll a video, you have sort of a clunky looking website. So we had cancer throughout the entire system.

Two days before the website launch and publication of the first edition of the newspaper, Harris and VandeHei realized they had not yet actually read the copy for the stories intended for the newspaper’s inaugural edition. They had to make time to go over the paper version of the

Politico. The reporters Tolchin had hired had been working on their stories for months with virtually no leadership as Tolchin focused on guiding the startup process. VandeHei reassured Harris that they could use these stories to fill the back of the newspaper, and that they themselves could write stories for the front page.

On Sunday, January 21, they sat in Harris' office to go over the material that would fill the newspaper. As they started leafing through staff contributions, recalls VandeHei, "Harris' face started to turn stark white. I'd never seen him more serious." They knew that the newspaper staff was younger and less experienced than their Web staff, but had not fully appreciated the implications until now. "We had these people who were at the top of the *Washington Post* [combined] with people who were going to be entry level at *The Hill* newspaper," says VandeHei. "Most of [the stories were] completely unusable." As Harris and VandeHei regarded each other silently, each wondered how to salvage their product in the two days they had left until launch. More profoundly, perhaps this whole enterprise had been a bad idea.