



August 2018 Strategic case study examination
Pre-seen material



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You are a Senior Finance Manager in the Finch News Group (FNG), a multimedia business which owns and manages a mix of daily and weekly newspaper brands aimed at local news audiences within Borland, a prosperous country with a well-developed economy and highly literate population.

FNG provides news, information and advertising services to local communities and businesses throughout Borland, through its portfolio of printed newspaper publications, websites and mobile applications. FNG is a privately-owned company, with 60% of its shares being owned by descendants of the founding Finch family.

You report directly to the Chief Finance Officer of FNG and advise on special projects and strategic matters.

Borland's currency is the B\$.

The newspaper industry in Borland

A newspaper is a serial publication (that is, a publication that is printed at scheduled times) containing news and articles about current events, politics, business, weather, sport, health and entertainment and also includes advertising. Newspapers are typically published daily or weekly. In Borland, there are several businesses which publish newspapers, both at a local level and a national level. Local newspapers provide news stories, articles and advertising specifically focused on a particular town or region, whereas national newspapers cover stories and events from across all regions of the country and often also include international news events.



Printed newspapers have been in existence in Borland for over 150 years. The first newspaper was printed in Borland in 1865, as an information sheet for businessmen. By the early 20th century, there were nearly 80 newspapers being printed throughout Borland, most of them owned by local business people and wealthy families. The appetite for local, national and international news grew as the 20th century progressed. Many of the newspaper businesses in Borland grew significantly, with over 450

daily and weekly local newspaper titles, and 8 national newspaper titles, in print by the mid-1990s. Over time, several of the smaller newspaper businesses in Borland consolidated to form large publishing groups, some producing over 100 daily and weekly newspaper titles.

The late 1990s onwards witnessed a change in how news was presented and accessed. Over the next 10 years most newspapers became available online as well as in print. The online versions have two formats, online newspapers and news websites. Since the mid-1990s, the Borland government has invested significant sums of money in its technological infrastructure. By the end of 2017, over 85% of the population were able to access 4G mobile network services and 75% were able to connect to superfast broadband networks. However, many rural areas of Borland still have poor digital connectivity.

By 2010, there were still approximately 400 daily and weekly local newspaper titles in print in Borland. However, the recent global recession, combined with the rapid growth of free access news websites, apps and global internet news providers, has contributed to a decline in printed newspaper circulation and newspaper advertising. As a result, many newspaper publishing businesses have had to rethink their operations and strategic direction. (Note: Newspaper **circulation** is the number of newspaper copies that are distributed on average on a given day. This includes both paid circulation as well as newspapers that are distributed free of charge. Newspaper **readership** is a figure that estimates how many hands that a copy of a newspaper passes into. For example, a household may subscribe to a copy of a newspaper, but this copy is then read by all members of the household. This is why readership is a figure that is always higher than circulation and in Borland, readership is on average three times higher than circulation.)

By the end of 2017, following a period of closures and consolidations there were approximately 360 daily and weekly local newspaper titles and 8 national newspaper titles in print in Borland. The three largest newspaper publishing groups in Borland are listed on the Borland stock exchange.

Industry revenue generation

Up until the advent of the internet, nearly all of the revenue generated by newspaper publishing businesses was from printed newspaper sales (either over the counter or subscription sales) and from print advertising sales. In fact, the most significant proportion of revenue generated by most newspaper publishing businesses has always been print advertising sales.

Advertising sales is normally split into two categories:

Classified advertisements which are usually small adverts chargeable per word and are normally sub-divided under headings such as public appointments, employment vacancies, matrimonial, property sales and public notices.

Display advertisements which usually promote retail goods like food, cosmetics, domestic items and electronic goods and are mostly illustrated and therefore larger advertisements.

Other key sources of income for newspaper publishing businesses in Borland include:

1. Contract printing carried out for other publishing businesses.
2. Event hosting, which involves advertising, organising and hosting local events such as award ceremonies, sporting events, food festivals and fashion shows. These events are normally sponsored by a third-party organisation and additional revenue can be generated through ticket sales.

The history of Finch News Group (FNG)

The business was founded by Eli Finch in the early 1880s as one newspaper, the Finch Bugle. Eli Finch was a prominent local businessman and landowner, based in a large industrial town in the northern region of Borland. The Finch Bugle was printed to provide local news to the business community of the northern region and was initially printed on a weekly basis. By the turn of the century, as demand for local news grew in Borland, the Finch family business was operating one printing press, printing four daily local newspapers and two weekly local newspapers in the northern region of Borland. These newspapers had a circulation of nearly half a million print copies per week.



Over the next 50 years, the Finch family exploited the growth in the newspaper industry and the strong sense of regional identity within Borland by gradually expanding the business to many towns and cities throughout the whole of the country. This was mainly through the organic development of new daily and weekly local newspaper titles but also occasionally through the acquisition of smaller local newspaper businesses as and when the

opportunity arose. By the early 1950s, the 'Finch Newspaper Group' (FNG) was well established, and growth continued steadily for the next 40 years. FNG made its final acquisition in 1992, at which point it owned and managed 30 daily and 10 weekly local newspapers in Borland.

The first signs of decline in its printed newspaper circulation occurred in the late 1990s, coinciding with rising use of the internet by news consumers as a source of information and news. FNG did not initially respond to this threat and continued with its traditional business model. It cut costs in a moderate way through closure and consolidation of some of its smaller offices, rationalisation of some of its activities and voluntary redundancy programmes, as and when it felt that it was necessary to deal with any reductions in newspaper circulation and profit.

However, by 2010 it became apparent that such ad-hoc responses to the changing environment in which it was now operating were no longer sufficient, and that printed newspaper circulation was in sustained decline. At this point FNG renamed itself "Finch News Group" and re-modelled itself as a 'multimedia' news organisation, offering its news readers a more dynamic news offering, delivered via printed newspapers and a range of websites and mobile apps. Significant investment was made by FNG in its digital technology and a new digital content department was set up. FNG has continued to invest large amounts in digital development.

As at the end of 2017, FNG still owned and managed a total of 40 local newspaper titles (unchanged since 1992), operating from 30 offices located in most of the major towns and cities throughout Borland. All 40 of these newspaper titles have their own website and some (but not all) have their own mobile apps and social media accounts. The broad coverage of FNG's newspapers throughout Borland attracts advertising clients who want to cover the whole of the country through a single publishing point.

FNG remains privately owned and throughout its long history and growth, the business has retained its strong 'family' ethos, with members of the founding family still working throughout the business.

The editorial process

Whilst the content of each newspaper varies, it generally consists of a predetermined combination of news articles, opinion and advertising. The editorial section of each newspaper (that is, the news and opinion content) is written by local journalists employed by FNG at each newspaper title, at the direction of the newspaper editors.

FNG operates a traditional newspaper editorial process. It begins with a meeting of the newspaper's editors, who determine the amount of editorial content in an edition, based on the advertising space that has already been sold. A specific number of pages is agreed upon, and the editorial assignments are made to the journalists in the various news departments.

For a typical local story, the process begins with a news journalist submitting a report, either in person or electronically, to the "rewrite" journalist. The rewrite journalist fine-tunes the wording of the story and makes sure it answers the six important questions: who, what, where, when, why, and how. He or she then sends the edited story over to the news editor, who makes the final decision about which stories to run in the upcoming edition, based on their relevance. The editor may make further changes before submitting the story to the copydesk. The story arrives at the copydesk with guidelines for length as well as headline instructions regarding size and type.



The final story is set to be inserted on a certain page of the newspaper that has already been roughly laid out by both the news editor and a makeup editor (who is responsible for the overall style of presentation of the newspaper). A mock-up of the page, essentially a blank form showing where the stories will run and where pictures and advertising will be inserted, is called the "dummy." Prior to this, the makeup editor will have already met with the

advertising department to determine how such pages will be laid out with advertising space. The dummy has rough notes for headlines, story insertions, and graphic elements such as photos and tables of statistics. It also shows the date of the edition as well as a page and section number. After the news editor and makeup editor have determined the placement of the story on the page in question, as well as the other items set to run there, the dummy is sent on to a composing room for final preparation to be sent to print.

FNG's products and services

Printed Newspapers



FNG produces 30 daily and 10 weekly local newspapers with circulation varying from a few thousand per day for some of the smaller dailies to approximately 22,000 per week for the largest weekly newspaper and over 17,000 per day for the largest daily newspaper.

| | 2018 Circulation per week | 2017 Circulation per week |
|-----------------------|--|--|
| Top 5 Weeklies | | |
| The Eastlee Echo | 21,910 | 22,458 |
| Northlands Post | 19,452 | 20,546 |
| Finton Times | 18,145 | 18,912 |
| The Carsley Herald | 17,980 | 18,775 |
| The Westown Weekly | 17,467 | 18,168 |
| | 2018 Circulation per day | 2017 Circulation per day |
| Top 5 Dailies | | |
| Southern Gazette | 17,390 | 18,453 |
| The Mursee Mercury | 17,316 | 18,678 |
| The Zellat Post | 16,694 | 17,241 |
| Central Chronicle | 14,376 | 15,184 |
| The Marona Daily Star | 14,161 | 14,109 |

FNG top five weekly and daily newspaper titles circulation figures as at 31 March (2018 versus 2017)

Digital Products

FNG's digital content department is responsible for the web, mobile and social media platforms. These enable news readers access to locally focused digital news and advertising content through FNG's digital channels.



FNG currently operates 40 local news websites (one for each of its printed newspaper titles) and also operates 18 tablet and smartphone apps, closely aligned to its most popular newspaper titles. The news content of these websites and apps takes its content from the related newspaper title, through the use of a software system that furnishes both the printed and electronic versions simultaneously. News content within the websites and apps can be updated throughout the day to reflect the latest news events and any breaking news stories.

These websites and apps have a combined average monthly digital audience of over 10 million unique users. Unique users are calculated as individual visitors to any of its digital channels which are counted as a single visitor irrespective of the number of times he or she revisits the site. Websites and apps usually rely on some type of user identification (such as a user registration with a unique password) or an identifying code (called a 'cookie') that attaches to the user's browser. Although it is a standard measure used in the industry, it is recognised that the 'unique user' figure is not wholly reliable in assessing accurately the number of actual users of a website or mobile app, as it based on the number of individual devices accessing the digital sites rather than actual individuals.

Some newspaper publishing businesses in Borland have set up what is known as a 'paywall', which is a method of restricting access to their digital news content via a paid subscription, as a way to increase revenue after years of decline in paid print readership and advertising revenue. Currently, FNG does not operate paywalls for any of its digital news titles but does tend to carry more advertising in its digital news channels as a result.

Contract Printing Services



FNG operates modern, high-speed printing presses at two print sites located in Borland. FNG uses these presses to print its own daily and weekly newspapers and also offers contract printing services to other publishing businesses throughout Borland.

Print Site One is located in the north of Borland and serves the contract print customers located in the northern half of the country. Print Site Two is located in the south of Borland and serves the contract print customers located in the southern

half of the country. Each print facility runs 24 hours a day, 7 days a week and is operated by highly-trained and skilled staff.

FNG first offered contract printing facilities in 1990 in order to maximise the opportunities presented by spare capacity on the printing presses. Over recent years the proportion of contract print time on the print presses has increased as printed newspaper sales have declined. The printing presses operating at these two print sites function at near full capacity.

FNG's revenue streams

At its year-end of 31st March 2018, FNG generated its revenue from four key streams: printed newspaper sales (25%); print advertising sales (53%); digital advertising sales (15%), and contract printing (7%).

Printed newspaper sales

This was traditionally the foundation of the revenue generated by FNG. This was not only because of the large volumes of printed newspapers sold due to a high demand for local news stories, but also because large volumes of printed newspaper sales were highly attractive to advertisers, who used printed newspapers as a convenient and highly effective means of advertising their products and services.

Print advertising sales

As the popularity of its printed newspapers grew, newspaper advertising revenue became the largest source of revenue for FNG. However, newspaper advertising revenues have faced challenges since the growth of digital news delivery. The rapid growth of free web-based news alternatives, has caused a decline in FNG's printed advertising revenues.

Digital advertising sales

Many advertisers have moved their advertising online where they can access a wider and more targeted interactive audience at a lower price. FNG has attempted to stem the loss of print advertising revenue by offering online advertising through its websites and mobile apps. However, despite this revenue stream growing year-on-year for the last six years, FNG has not replaced revenues lost from reduced print newspaper sales and has been slow to utilise the full potential of digital advertising.

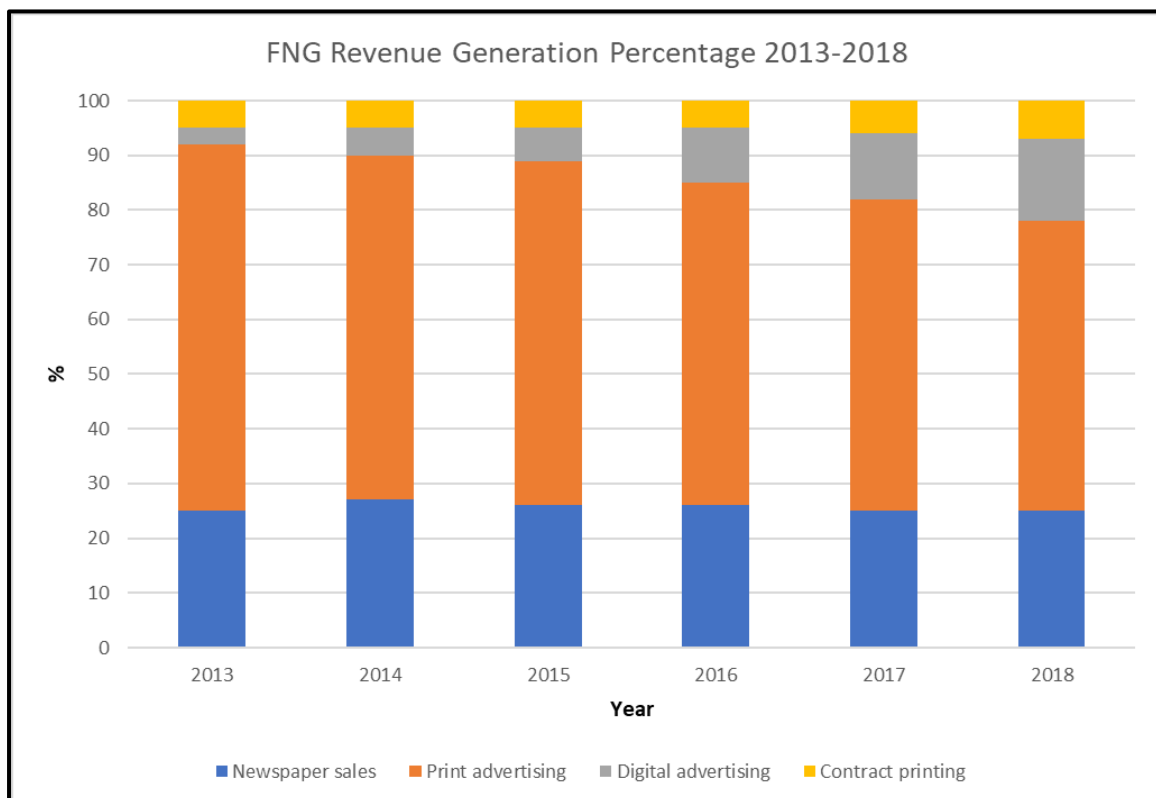
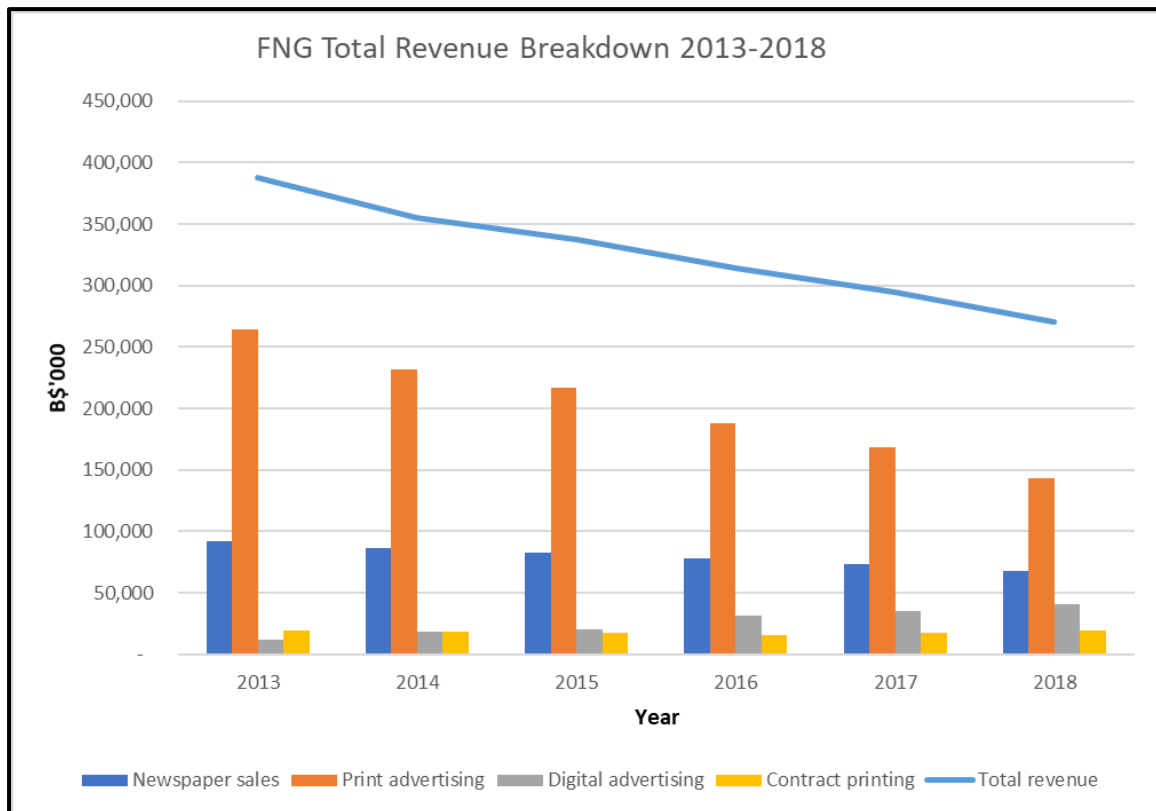
Contract printing

FNG's other source of revenue generation is contract printing, whereby it offers its printing press services to other publishing businesses in Borland. This is an area of the business which is steadily growing but is not a significant aspect of FNG's revenue stream at the moment. Nevertheless, FNG is committed to the principle of retaining a first class in-house printing capability, considering it to be an area of core competence.

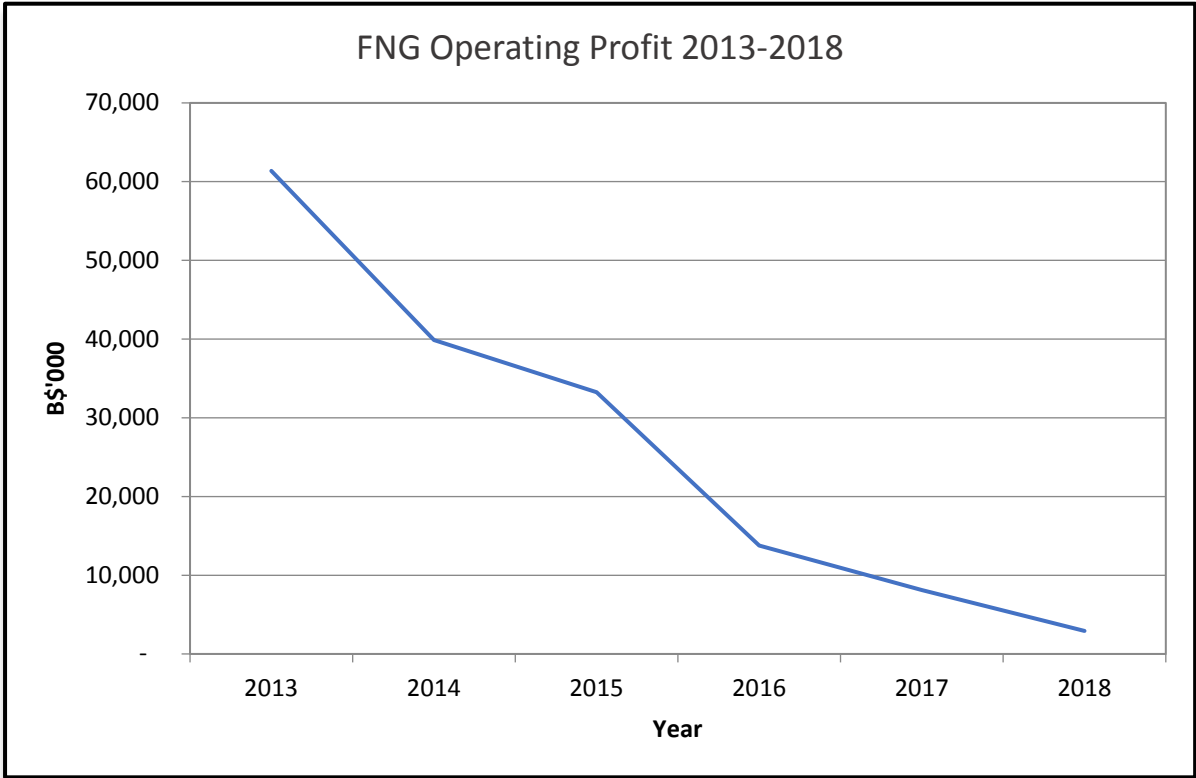
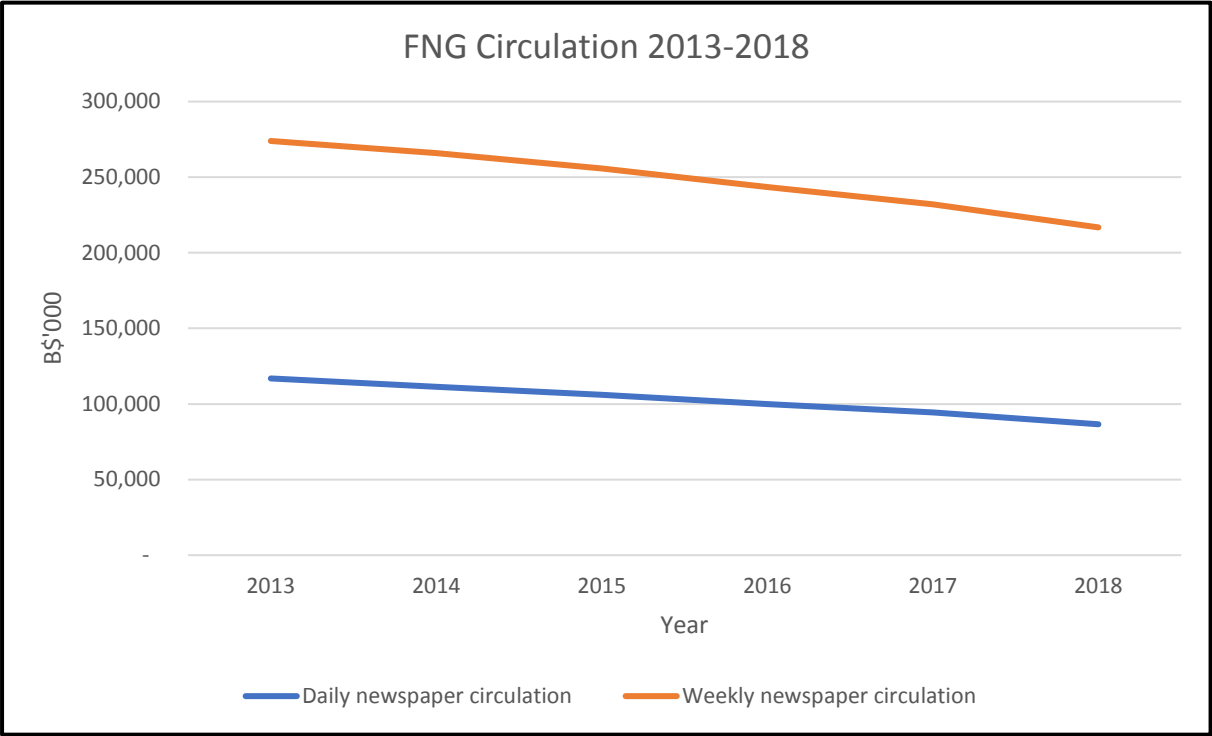
Note: Unlike several other locally focused newspaper publishing businesses in Borland, FNG does not earn any revenues from undertaking event hosting at this present time.

FNG Key performance graphs

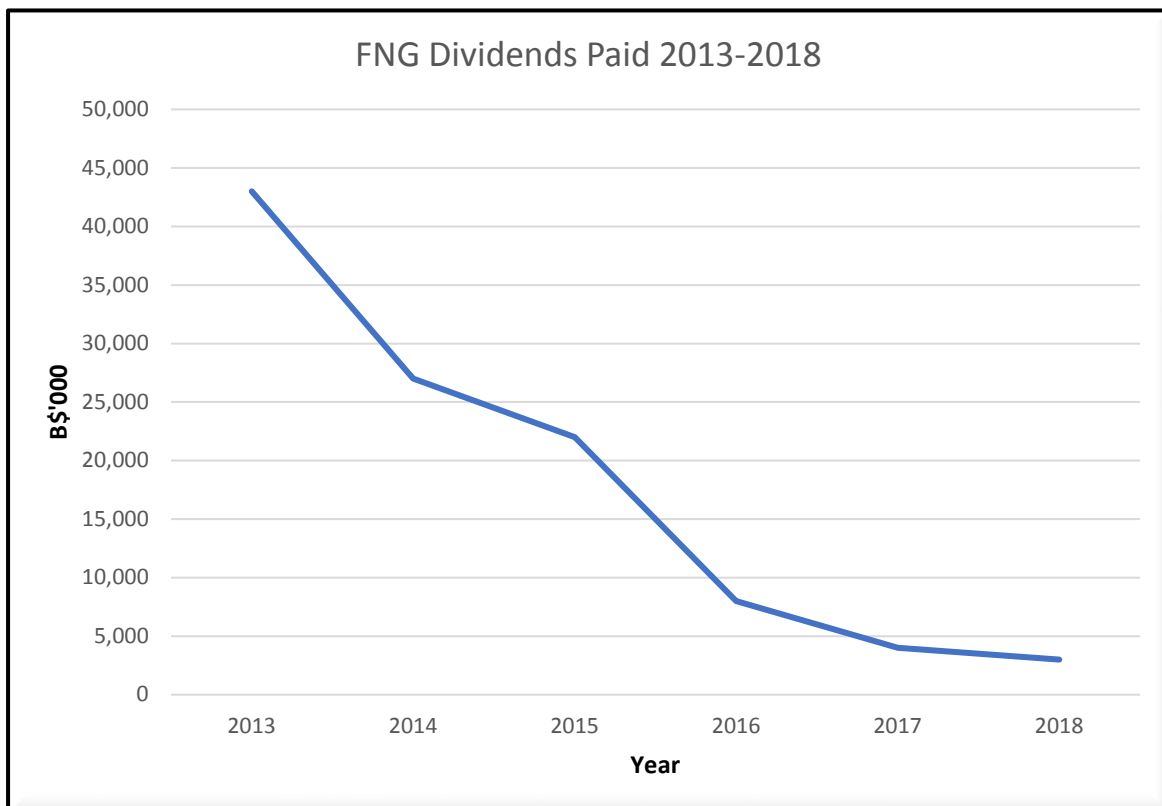
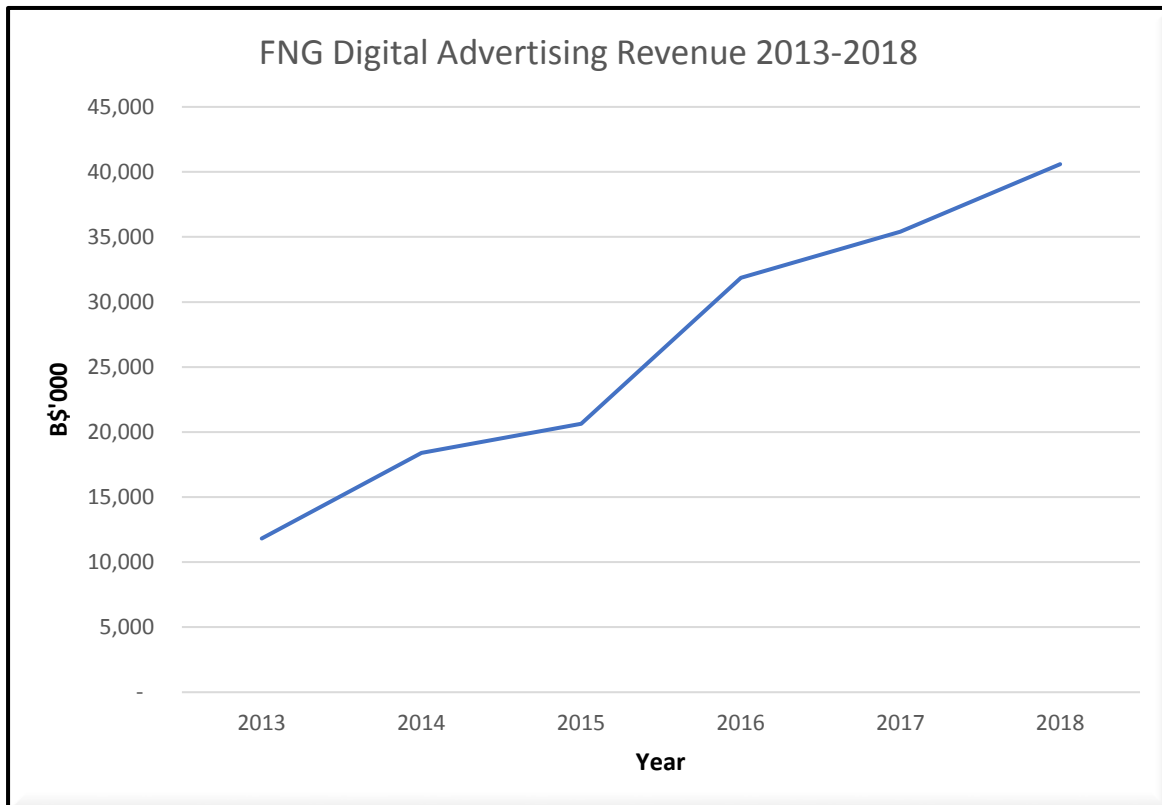
All graphs show performance year on year as at 31 March.



Key performance graphs - continued



Key performance graphs – continued



Mission statement

To serve our local communities by providing local news, information and advertising services through both print and digital channels. We aim to be a multi-channel news business, trusted by our customers, working in partnership with local communities, and highly valued in the lives of our readers. We are committed to providing a first-class printing service in-house, both for our own titles and for others. Freedom of expression and the right to an opinion is at the heart of our ethos, together with ensuring we provide news that our readers can trust.

Strategy

To deliver local brands that are highly relevant in the digital media age, through exploiting the latest technology to build a diversified and sustainable product portfolio and mix of revenue, whilst maintaining a strong focus on the importance that our print newspapers play at the heart of our local communities.

Corporate Social Responsibility

Business Ethics

FNG's code of ethics is supported by clear ethical procedures and guidance. FNG aims to be a fair employer and is aware of its responsibilities to a wide range of stakeholders including readers, the wider community of Borland, suppliers, employees, shareholders and the environment. Our ethical code provides clear guidance to all of our staff on the provision and delivery of all our business activities and stakeholder relationships in a professional, objective and trustworthy way.

Employee Involvement

We aim to attract, retain and engage the best people through a highly supportive culture and we recognise that a diverse workforce adds value for our employees, customers, shareholders and the communities we serve. We operate regular employee forums at regional level for communication and consultation. We recognise a number of Trade Unions and are committed to communication and consultation with employees during times of change.

Community Involvement

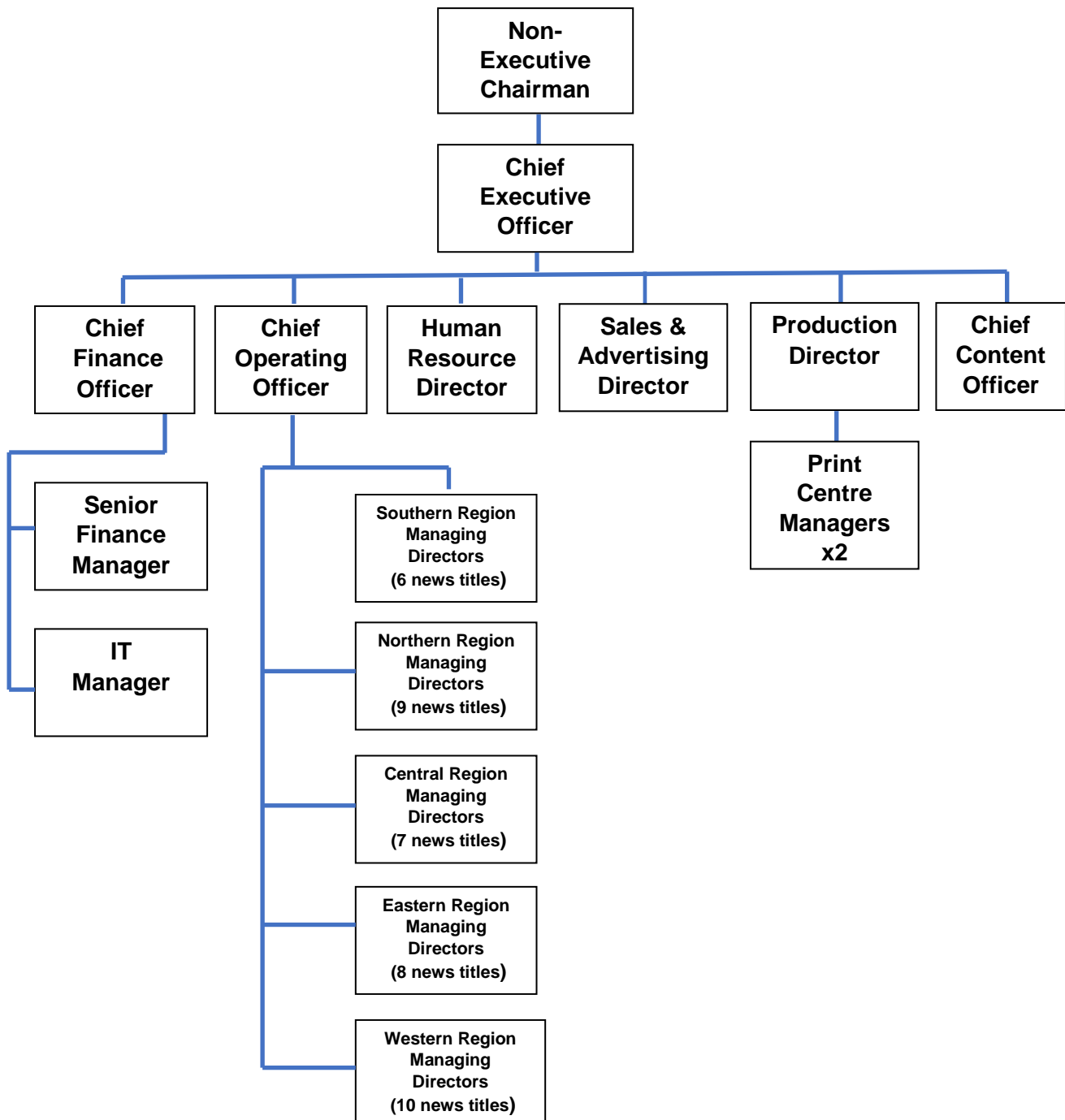
Our products remain trusted providers of information in the communities we serve and our journalists work hard to provide the content our audiences want across a variety of media. We aim to serve local communities by meeting their needs for local news, information and advertising services through a range of media, with the aim of maximising access to all.

Environmental policy



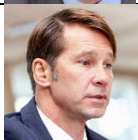








We aim to minimise any impact our operations have upon the environment. In the year, both our print site's environment management systems were certified to the international ISO 14001 standard. We encourage staff to reduce our overall energy consumption levels, including reducing non-essential travel by staff, striving towards greener transport and ensuring that waste levels are monitored and kept to appropriate standards. 100% of our newsprint is sourced from sustainable suppliers.

Organisation Structure

The need to respond to the requirements of each of the communities where we operate means a local presence is vital. We operate five publishing regions to allow management to stay close to our titles and readers.



Senior Leadership Team

| | |
|---|---|
|  | Alan Finch, Non-Executive Chairman* |
|  | Guy Lomas, Chief Executive Officer |
|  | Den Rice, Chief Finance Officer |
|  | Mary Finch, Chief Operating Officer* |
|  | Ella Baum, Human Resource Director |
|  | Kay Leith, Sales and Advertising Director |
|  | Steve Kirk, Production Director |
|  | Axel Blanc, Chief Content Officer |
|  | Shappi Verma, Non-Executive Director |
|  | Colin Edgar, Non-Executive Director |
|  | Elkie Maas, Non-Executive Director |

* Alan and Mary Finch are both members of FNG's founding family and they each own 8% of FNG's shares. A further six Finch family members hold 44% of FNG's shares.



Throughout the last financial year, FNG faced further significant market challenges. Further consolidation of the Borland newspaper publishing industry has forced us to continually look for ways to reduce our costs and improve our news offerings to customers, to ensure a strong basis for our continued success. In addition, the disturbing trend of 'fake news' has put pressure on the industry to prove its integrity. However, we believe strongly in our procedures and guidelines for ethical news reporting and will continue to make this a focus of our business. During the year we undertook a number of initiatives to enable the business to adjust to the continued downward pressure on print advertising revenues. We are continuing to investigate ways to improve our digital news offerings, as well as alternative and innovate revenue generating opportunities. Our contract printing business has also had a successful year with several significant contract printing tender wins.

Corporate objectives

The management team has been focused on pursuing its key strategic objectives of:

- growing the overall readership of, and revenues from digital news
- maintaining an overall profitable performance
- developing a more streamlined business model
- maintaining liquidity
- managing our obligations to our stakeholders

Growth of audiences and revenues in our digital news business remains a key longer-term objective and we have continued to invest in our digital technology this year. Despite several years of growth in digital advertising revenues, in the last financial year we saw our overall revenues fall. This was driven by a downturn in some of our key client print advertising sales categories (particularly in property sales and employment advertising). However, we achieved significant savings during the year through our ongoing fixed cost cutting programme.

A key part of our ongoing business strategy is to focus on and invest in newspaper titles which offer us the best opportunity for growth, through audiences and/or geography. Whilst we expect the overall market environment to remain challenging for both the Group and the industry as a whole, we remain focused on delivering on our strategic objective of growing our overall audience and strengthening our position in the industry. Our continued drive to maximise operational efficiencies, which includes a relentless focus on cost management, gives us flexibility in the face of a challenging market and gives the management confidence that we can make further progress. We remain committed to remaining 'local' and providing our local communities with the news services they desire and deserve.

Retaining a high-quality printing operation in-house continues to remain important to us. Not only does that allow us to support our steadily growing contract print business, but also ensures we have direct control over the costs and quality of the production of our own titles.

We are also aware of the changing behaviour and needs of our audience and the expectation of up to the minute news, 24 hours a day, 7 days a week. We are focused on developing our news services across social media platforms to enable access to our news content across the widest range of media.

Extracts from FNG's Annual Report 2018 – Risk Register

| Risk | Description | Risk rating | Change since 31/03/2017 | Mitigation Activities |
|-----------------------------|--|---------------|-------------------------|---|
| Print-based revenues | Printed newspaper sales and advertising revenues continue to decline. The threat to these revenues continues, including from competition, changing technology usage and consumer habits | High | Increased | Continue to develop our digital offering through new websites, mobile apps and digital products. Re-organisation of our advertising sales team should ensure a more proactive and effective approach to advertising revenue generation. |
| New revenue streams | Digital revenues will decline/not grow at the rate needed to offset print revenue decline. The impact of dominant global market players will continue to contribute to the slow-down in growth of digital advertising revenues. | High | Increased | We intend to make considerable investment in our customer database management systems and improving relationships with our customers. We continue to look for innovative revenue generating opportunities. |
| Cost reduction | Continued cost reduction is a necessity which constrains our ability to invest in development of the business. | High | Unchanged | We continue to strive for operational efficiencies. Clear organisational responsibilities and reporting structures are in place to ensure continued efficiency and further opportunities to improve our cost base are being investigated. |
| Economy | The impact of changes in the Borland and global economy could impact on FNG's operations. The business is subject to prevailing economic conditions and the impact of emergent and unexpected events. | Medium | Unchanged | The business continues to forecast and monitor prevailing economic outlook, through its budgeting process, on an on-going basis. |
| Data security | Our systems and data integrity could be vulnerable to disruption and/or loss of access to data. In addition, poor quality data could limit market opportunities. | High | Unchanged | FNG collaborates with third-party suppliers to protect data and systems. Data quality and integrity is an ongoing management focus and training for staff is carried out on an ongoing basis. |
| Litigation | The possibility that legal action will be taken as a result of us publishing defamatory or erroneous information in any of our media outlets. | Low | Unchanged | FNG monitors and reviews its strict ethical and behavioural codes on a regular basis to ensure clear policies and guidance are in place for all journalists and publishing staff. We intend to develop further policies to offer guidelines on managing and evaluating 'fake news'. |

Extracts from FNG's Annual Report 2018 - Financials

Finch News Group

The following information has been extracted from Finch News Group's financial statements for the year ended 31 March 2018.

Consolidated Statement of Profit and Loss

For the year ended 31 March 2018

| | 2018 B\$'000 | 2017 B\$'000 |
|--------------------------|-----------------|-----------------|
| Revenue | 270,642.3 | 294,850.2 |
| Cost of sales | (181,273.9) | (199,823.6) |
| Gross profit | 89,368.4 | 95,026.6 |
| Other operating expenses | (86,446.6) | (86,893.3) |
| Operating profit | 2,921.8 | 8,133.3 |
| Finance costs | (1,560.5) | (2,023.7) |
| Profit before tax | 1,361.3 | 6,109.6 |
| Income tax expense | (340.3) | (1,527.4) |
| Profit for year | 1,021.0 | 4,582.2 |

Extract from the notes to the accounts:

Revenue

The analysis of the group's revenue for the period is as follows:

| | 2018 B\$'000 | 2017 B\$'000 |
|-------------------------|------------------|------------------|
| Printed newspaper sales | 67,660.6 | 73,600.2 |
| Print advertising | 143,440.4 | 168,150.0 |
| Digital advertising | 40,596.3 | 35,400.0 |
| Contract printing | 18,945.0 | 17,700.0 |
| Total | 270,642.3 | 294,850.2 |

Finch News Group

Consolidated Statement of Financial Position as at 31 March 2018

| | 2018 B\$000 | 2017 B\$000 |
|---|------------------------|------------------------|
| Non-current assets | | |
| Property, plant and equipment | 15,072.7 | 23,799.6 |
| Current assets | | |
| Inventories | 3,410.8 | 3,595.7 |
| Trade and other receivables | 42,389.4 | 45,825.9 |
| Cash and cash equivalents | 3,667.5 | 1,985.3 |
| | 49,467.7 | 51,406.9 |
| Current liabilities | | |
| Trade and other payables | 23,946.8 | 26,959.9 |
| Loans and borrowings | 5,674.0 | 5,674.0 |
| | 29,620.8 | 32,633.9 |
| Net current assets | 19,846.9 | 18,773.0 |
| Total assets less current liabilities | 34,919.6 | 42,572.6 |
| Non-current liabilities | | |
| Loans and borrowings | 9,944.5 | 15,618.5 |
| Net assets | 24,975.1 | 26,954.1 |
| Reserves | | |
| Share capital | 20,000.0 | 20,000.0 |
| Retained earnings | 4,975.1 | 6,954.1 |
| Equity attributable to the owners of the company | 24,975.1 | 26,954.1 |

Extracts from FNG's Annual Report 2018 - Financials

Finch News Group

Consolidated Statement of Cash Flows for the year ended 31 March 2018

| | 31 March 2018 B\$000 | 31 March 2017 B\$000 |
|---|----------------------------|----------------------------|
| Operating profit | 2,921.8 | 8,133.3 |
| Depreciation | 10,337.3 | 10,071.2 |
| (Increase) / decrease in Inventories | 184.9 | 101.1 |
| (Increase) / decrease in Trade receivables | 3,436.5 | (1,584.5) |
| Increase / (decrease) in Trade payables | (1,825.9) | (1,277.3) |
| Net cash inflow from operating activities | 15,054.6 | 15,443.8 |
| Finance costs | (1,560.5) | (2,023.7) |
| Taxation | (1,527.4) | (2,819.6) |
| Dividends | (3,000.0) | (4,000.0) |
| Capital expenditure | (1,610.5) | (1,207.5) |
| Financing | | |
| Loan repayments | (5,674.0) | (5,674.0) |
| Net increase/(decrease) in cash and cash equivalents | 1,682.2 | (281.0) |
| Cash and cash equivalents brought forward | 1,985.3 | 2,266.3 |
| Cash and cash equivalents carried forward | 3,667.5 | 1,985.3 |

Extracts from FNG's Annual Report 2018 - KPIs

Key performance indicators

To track delivery of our strategy, the following KPIs were measured in 2018.

| Strategy | KPIs | Target | Performance in the period |
|--|------------------------------------|---|---------------------------|
| Maintain a profitable performance | 1. Gross profit percentage | Maintain gross profit percentage of 30% | ✓ |
| | 2. Operating profit percentage | Achieve operating profit percentage of 2% | X |
| Grow revenue from digital advertising | Digital advertising revenue growth | Increase by minimum of 10% | ✓ |
| Manage revenues from print advertising | Print advertising revenue decline | Decrease by maximum of 10% | X |
| Grow year-on-year digital audience | Digital audience growth | Increase unique users by 8% | ✓ |

Exhibit 1

| HOME ABOUT NEWS TRAINING CONTACT | | | | |
|---|--|--|-----------------------|--|
|  | | Borland Union of Journalists website <i>The voice of journalism since 1927</i> | | |
| <p><i>"The union strives to protect and promote media freedom, professionalism and the BUJ ethical code of conduct and to protect the positions, pay and conditions of its members."</i></p> | | | | |
| <h3>Breaking News</h3> | | | | |
| <p>TJ Publishing has announced plans to cut a "significant" number of journalists from its 6 national weekly titles, following a strategic review.</p> | | | | |
| <p>Borland's largest newspaper publisher, managing nearly 100 regional daily and weekly news titles and 6 national newspaper titles, announced it was changing its structure to address challenges faced by the print industry, citing audience migration to digital platforms, which has changed the way people read their news and changed the news they want to read.</p> | | | | |
| <p>The Borland Union of Journalists (BUJ) said up to 50 jobs were under threat.</p> | | | | |
| <p>In a statement, the publisher said: "The pace of change in the media industry is showing no signs of slowing. We have seen over the past few years a number of newspapers closing or being put up for sale in Borland, as publishers struggle to confront the challenges."</p> | | | | |
| <p>It added: "This restructure is designed to ensure our news brands are able to continue to serve their communities - as their only source of trusted local news. However, it does mean that there will be a significant reduction in the number of journalist roles."</p> | | | | |
| <h4>'Precarious position'</h4> | | | | |
| <p>BUJ spokesperson Verity Hoi said: "Members were shocked at the scale of proposed job losses and are now aware of the long-term precarious position of many of TJ Publishing's titles. We have been told that their plans will put these titles into profitability. From our point of view, we want to save all the titles, protect the journalists who will continue to work on these papers and get the best possible deal for those members who choose to leave the business."</p> | | | | |
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The Custodian

A focus on the future of journalism

It used to be the case that if I wanted to read the Finton Telegraph, I had to be in Finton, and hand over some cash to the newspaper sellers in the city. Now I can read the website for free from the comfort of my own home, whether that's in Borland, Bermuda or Botswana.

Such freedom for newsreaders also brings increasing competition for newspapers. Not just from TV and radio companies that have moved into producing news in the written word format - the Borland TV News website is essentially a newspaper that doesn't happen to have a printed edition - but from global news services and a multitude of independent news websites.



The growth of digital publishing technology also brings with it new ethical dilemmas for journalists. Whenever a young person is in the news, social media networks are usually a ready source of images. Digital publishing and the growth of social media also facilitates widespread protest against news stories and journalistic pieces, posing an ethical dilemma for publishers of digital news in

blocking or removing negative social media comments.

Whilst the recession and structural changes in the industry have put the newspaper industry under severe strain, journalism in a digital age will undoubtedly continue. We'll no doubt see a change in the mix of whether news is produced by the professional or the random passer-by who happens to be at the right place at the right time with a camera phone. The format and delivery of news may change but the basic human need of wanting to uncover, tell, and share stories will always remain.

GLBAL Newspaper Association

Global News Trends

Today, more than 3 billion adults are reading newspapers in print globally. Digital newspaper and news media readership is growing, and in some of the most developed economies, readership on all digital platforms has surpassed the number of readers in print. GNA analysis estimates that at least 35% of global internet users read newspapers and news media online.

Despite this trend, it was identified last year that traditional printed publications continue to contribute the majority of revenues for news media companies. GNA data shows that printed newspapers generated an estimated US\$ 150 billion in circulation and advertising revenue in 2016. US\$ 90 billion dollars (53%) came from print and digital circulation, while \$79 billion came from advertising. Together with magazines, newspapers are the third largest among all cultural and creative industries globally, and the two sectors are said to be creating around 2.9 million jobs worldwide.

One of the primary challenges for the industry remains new data analytical tools and new metrics for news media content on all platforms. Publishers will be unable to successfully charge for their content and sell their advertising inventory to their full potential until they are able to properly plan and evaluate their content performance and really understand all aspects of their audience journey. It's all about what we make of the big, but also small, data about our newspaper audiences.

The Borland Echo

Could paywalls be the saviour of local news?

There was a time, not so long ago, when newspaper presses may as well have been printing money. A combination of high advertising revenues and circulation growth saw huge profits for owners and shareholders. But those days are long gone. The announcement today that Nuncia, Borland's third largest newspaper publishing business is to cease printing early next year is a surprise, but many in the newspaper industry had considered that it was not a question of if, but when, this would happen to one of Borland's newspaper publishing groups.

The problem for newspapers is not that news has suddenly become unfashionable, it's that making money out of news is proving increasingly difficult. Digital technology has changed everything and newspaper publishing businesses have been slow to react to this technology. At the same time, titles have lost circulation as news is now freely available on a diversity of online sites.

News organisations initially gave everything away for free online, assuming that digital advertising would replace print losses. However digital revenues have proved elusive, and while online revenues are growing, the growth is nowhere near enough to offset the decline in print advertising and circulation revenues. Since the early 2000s, Borland's newspaper publishers have lost close to 50% in circulation, with few exceptions.

Paywalls, introduced by a number of newspaper publishing businesses in recent years to try to replace lost newspaper circulation, have worked to varying degrees. However, some newspaper publishers in other countries which have fared the best after implementing an online paywall, are those based in smaller markets. These newspapers not only have less competition from other local media outlets, but they provide coverage of local news and events that a larger media outlet will likely ignore.

Most people care about what happens in their communities, and local newspapers are among the best-equipped media outlets to provide such news. Therefore, it is not surprising that small market and community newspapers in other countries have had relative success in maintaining or even increasing their print circulation after implementing an online paywall. It remains to be seen however, whether similar businesses in Borland can achieve such success.