

# Investment in people keeps news groups afloat

 By Anton Harber

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At a Future of News seminar at the University of the Witwatersrand last week, *Financial Times (FT)* of London managing editor James Lamont told how they had turned that operation around...

There were three key elements to their strategy of dealing with the loss of print readers and the difficulty of generating revenue on the internet. First, they charged for online access from early on, unlike the many who give away their online product. They ensured that the content was good enough to make their readers happy to pay for it. And they are working hard to engineer innovation and experimentation in what was a staid, old-style operation.

About two years ago, they hit the turning point when they started to earn more from their online subscriptions than the print product, and now they have rising profitability. Almost everyone's job at the *FT* has changed significantly, but they still employ about 600 journalists around the world. Lamont - a former editor of our local *Business Report* - describes his function as preserving journalists' jobs.

## People bring profits

They make their profit not despite having so many people, but because of it. And that is what South African newspaper owners seldom realise - and why our industry is on a downward slide.

Almost across the board, the strategy of our news media companies has been to cut costs to maintain profitability in traditional media, without putting these resources into new media. Serial retrenchments have taken place in the past few years, and this shows in the product quality. It is a myopic approach that dooms them to a slow and painful death. Unless there is investment in the content people need and want and delivering it in the ways people want to consume it, there is no reason for people to take out their credit cards to pay for it.

## The lesson in Sapa's fate

The attitude of most local owners is captured by last week's announcement that the national news agency, the South African Press Association (Sapa), will close. When Sapa needed investment to change its business model, it was not there. When other news agencies, such as Bloomberg and Reuters, were adapting to the changing world, the newspaper owners who controlled Sapa were cutting costs. Now there is not much left to save, and what should be a foundational news institution will be lost.

Every day I pick up our newspapers and - with only a couple of exceptions - I find stuff I have read via social media, where it is faster and often has more depth and complexity because of a wider range of sources and angles. Our newspapers are almost all being run for short-term profit, and with very little smart investment to take them into the new era.

## The lessons from overseas

The lesson from around the world is that those institutions - such as *The Guardian* and *New York Times* - that spend on quality content are the ones that are pulling through. Of course, these are international titles with masses of money to spend, and it is difficult to compare our local products in a small market, but most of our industry seems to know only how to slash costs.

Never mind the sclerotic print products. Local news websites are almost all dull and badly produced. You only have to read a story or two to know that there is little investment in the skills and talent it takes to do it half well. There is lots of opinion, because that's cheap, but very little of the hard reporting and imaginative storytelling that is the lifeblood of journalism. The *Daily Maverick* website stands out, but that's largely for its analysis rather than on-the-ground reporting.

### People next?

The new owners at Independent News & Media are investing in technology and platforms to try to make up for years of neglect, and hopefully this will be followed by investment in people.

Media24 has appointed respected editor [Andrew Trench](#) to put together a new online newsroom, and that is promising. Though this company has always paid more attention to new technology than its counterparts have, and, as a result, its News24 site dominates the online news market, it is not because of the quality of the reporting, writing or editing. I hope this will be changing now.

## ABOUT ANTON HARBER

Anton Harber, Wits University Caxton Professor of Journalism and chair of the Freedom of Expression Institute, was a Weekly Mail (now Mail & Guardian) founding editor and a Kagiso Media executive director. He wrote *Diepsloot* (Jonathan Ball, 2011), *Recht Malan* Prize winner, and co-edited the first two editions of *The A-Z of South African Politics* (Penguin, 1994/5), *What is Left Unsaid: Reporting the South African HIV Epidemic* (Jacana, 2010) and *Troublemakers: The best of SA's investigative journalism* (Jacana, 2010).

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