

KUOW

Draft Strategic Business Plan 2017-2021 V12

*Confidential* *Draft:* *For* *Discussion* *Purposes* *April,* *2016*

**Background** In a time of declining standards for journalism, where America’s trust in mass media is eroding1, quality public media is more critical than ever. KUOW, Puget Sound’s most listened to public radio station, provides more than just thoughtful, in-depth news reporting. KUOW challenges its audiences toward insightful and critical thinking about the world – keeping citizens informed, engaged and connected.

As a non-profit independent news and information service, not beholden to commercial interests, KUOW is able to prioritize depth, quality and impact rather than market share and profit. Financially healthy, KUOW garners robust annual support from over 40,000 individuals and businesses in the community. It has successfully sustained the vast majority of its radio audience in a decade when national radio audiences have significantly declined.2

These national downward trends in radio audience are a harbinger of long- term risk. The dynamics that decimated print media over the past decade have arrived at radio’s doorstep. Specifically, massive competition from digitally delivered news, opinion, social media and podcasts is siphoning off audience and revenue. Public radio audiences are also aging while younger audiences with very different expectations of media are adopting new technologies.

The digital revolution is changing the relationship between NPR and local public radio stations. Listeners are now able to bypass their terrestrial radio signal, streaming NPR (or other news services) directly. Public radio’s privilege as the sole point of access for NPR content is gone.

So KUOW must work even harder to be uniquely relevant for local audiences while expanding the range of people who are attracted to its content – including those who prefer the advantages of digital media.

This document presents a draft set of concepts and strategies to advance KUOW, as well as promote informed public dialogue and a sense of shared community in an era where thoughtful civil discourse is increasingly scarce. It is ready for review and feedback from select community leaders. We believe the ideas that emerge from this exciting time of transition and evolution for KUOW will form the vanguard for advancing the public radio model for both the Puget Sound region and the nation.

*"Whenever* *the* *people* *are* *well-informed,* *they* *can* *be* *trusted* *with* *their* *own*

*government…”* **President** **Thomas** **Jefferson**

1 [Gallup poll](http://www.gallup.com/poll/185927/americans-trust-media-remains-historical-low.aspx) in September 2015, shows only 4 in 10 Americans trust mass media.

2 KUOW’s audience has only declined 2% over the past decade in comparison to an approximately [10%](http://current.org/2015/10/drop-in-younger-listeners-makes-dent-in-npr-news-audience/) [decline](http://current.org/2015/10/drop-in-younger-listeners-makes-dent-in-npr-news-audience/) in the national public radio audience.

**Our** **Intent** The intent of KUOW’s story telling is to cut through the information overload of our modern era and help listeners understand and engage with their world and community.



*“Where is the wisdom we have lost in knowledge? Where* *is* *the*

*knowledge we have lost in information?”*

# T.S. Eliot poem “The Rock” (1934)

It is all too easy and prevalent today, to listen only to those voices and points of view with which we agree. KUOW seeks to be a catalyst that helps bring people together – to be a social commons where people can develop a better understanding of the world through hearing a variety of voices.

To find stories that are impactful and that build bridges within the community and to stay relevant to audiences in the modern world, KUOW must go beyond the boundaries of traditional public radio.

**Community** Public radio stations are typically *inside-out* organizations, establishing

**Orientation** editorial priorities and standards based on the knowledge of their **&** journalism team or industry research. In that traditional world, the **Local** **focus** community is viewed as passive audience or donor.

Instead of this internally focused orientation, KUOW will develop an *outside-in* perspective to augment staff’s professional expertise, implementing practices and tools to listen to and engage with its audience. The community will become an active part of identifying the priorities and stories that KUOW chooses to cover. This outward focus will further build the station’s local relevance and help establish a clear identity of KUOW as ‘*my* local news source*’* in the Puget Sound public mind.

**Beyond** **Radio** KUOW will establish a three-pronged approach for engaging its audience to expand beyond traditional radio. This will include:

1. Continuing to nurture its leadership in on-air radio.
2. Aggressively investing in a strong digital presence with KUOW.org and social media, so that its listeners can follow via any medium they prefer. KUOW will also foster online communities where healthy sharing

and dialog can occur on the issues that matter most.

1. Expanding its local community engagement and leveraging its strong capabilities of convening and facilitating conversations. This will include fostering direct dialog, cultural sharing, and storytelling across diverse community boundaries. In addition, KUOW will develop key relationships throughout the Puget Sound region that can help inform KUOW’s understanding of the local issues that matter.

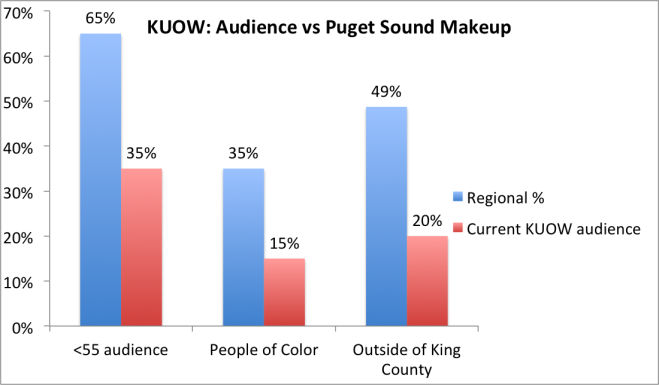
**Impact** It is a tenet of journalism that by building a common understanding of problems in society, solutions can be built towards a better future. Unfortunately, this broader impact of journalism is hard to measure and prove. Being able to determine that a particular social change occurred or that additional civic activity was catalyzed due to a media outlet’s coverage is a rare occurrence.3

Research can, however, be conducted to determine whether *individuals* are affected by the news KUOW provides.

Did a person discuss or share a story with friends? Vote differently? Get involved? Change their behavior?

It is KUOW’s goal to be a leader in understanding the impact of its programming. KUOW will conduct ongoing research to determine whether its audience is more aware of current

news, or takes action based upon their awareness. This type of research is performed by very few media organizations; KUOW will be breaking rare ground. Refining these metrics will therefore be a work in progress and will evolve over time.

**Diversity** KUOW seeks to attract a very broad audience – particularly listeners who are thoughtful, curious and interested in the world at large. However, the actual audience skews heavily toward a narrow demographic.

As this graph shows, KUOW’s audience is extremely under- represented across several key dimensions including race, age and region. These under- represented groups demonstrate audience potential nearly twice the

3 [Media Impact Project,](http://www.mediaimpactproject.org/impact-assessment-and-metrics-guide.html) USC Annenberg Norman Lear Center

size of that currently served by KUOW. While we will not convert everyone, we believe that a ~20% increase in audience size is attainable.

One important note is that attracting a diverse audience will require a diversity of voices on the air and in published content. KUOW needs to reflect the diverse community in which we live in the personas and voices it puts on the air. The “story of us” has to be the story of all of us to achieve relevance, resonance, and reach into populations heretofore un-served.

Most importantly, as a public news institution, KUOW should be serving its entire community, not just a subset.

**Initiatives** We will achieve this vision through six core initiatives, which support the outcomes described above and will transform KUOW over the next five years.

**Local** **Content** KUOW currently produces more quality local news and information programming than any other station in the Puget Sound area. To many in the community, however, its coverage does not resonate as local.

**Goal** **1**: significantly improve local content and cement KUOW’s reputation as a

*top* *of* *mind* quality local news source.

# Activities

1. Perform market research to understand what the overall Puget Sound community is looking for and how well KUOW is addressing those expectations. Timing: FY2017.
2. Increase reporting capacity outside of King County, especially in south Puget Sound. Timing: FY17 and beyond.
3. Re-evaluate the qualitative aspects of KUOW content to create a better local and more personal connection, for both local and non-local news.4 Timing: FY2017.
4. Expand the reach of local content along with demographic and geographic diversity. Timing: FY2017 and ongoing.

## Metrics (these measures are draft and will be finalized after market research is performed to identify audience expectations).

* KUOW is rated as “First choice” amongst listeners for local news.
* 2 local stories per ½ hour between 6:00am and 6:00pm (currently 1.5).

4 Note: while there is an ongoing and continuous effort to improve KUOW’s content standards, the

above activities require a more intensive focus on improvements during the years indicated.

**Digital** The future of media is online. 50% of Americans in 2013 cited use of the Internet as their main source for national and international news.5 And yet, digital audiences are, in the words of Jakob Nielsen, “selfish, lazy and ruthless”. Retaining their attention requires compelling content that grips a visitor’s attention and keeps them coming back for more.

**Goal** **2**: establish KUOW as a major influential digital news presence, covering the Puget Sound region with depth and intelligence.

To accomplish this, KUOW must become fluent in leveraging mobile content delivery, social media and KUOW.org to build online audiences. This will:

* Enable content to be consumed as the audience prefers.
* Attract specific communities with unique interests (e.g. the young, hyper-local, cultural).
* Enable KUOW to more easily ‘test and learn’ what audiences want, with rich data available to prove the results.
* Facilitate community dialog through social media, forums, message boards, etc., that can bridge the divide between different points of view.

This will require moving well beyond the limited resources currently dedicated to digital, as well as improving upon the very limiting NPR technology that underpins KUOW.org.

# Activities

1. Migrate to a robust platform of digital technologies, including a website, mobile App, and content management system that allows control of where and how we publish our different stories. Timing: FY2017 through FY2019.
2. Deploy staff efficiently to produce more content, make multi-media skills ubiquitous, and integrate community engagement in every endeavor. Timing: FY2017 and beyond.
3. Improve ability to analyze visitor preferences and behaviors. Timing: FY2018.

## Metrics

* + Increase the number of website visits to over 900,000/month.
  + Increase the number of regular website visitors6 to over 90,000/month (up from ~2,000/month, today).
  + Increase the number of people who engage (take action) with KUOW content through shares, donations, re-tweets, comments, etc.7

5 [Pew study on news consumption,](http://www.pewresearch.org/fact-tank/2013/10/16/12-trends-shaping-digital-news/) 1,500 random digit sample, August 2013

6 Currently defined as an individual who visits kuow.org five times or more per week.

**Community** The intent of community engagement is to combine the power of a Town

**Engagement** Hall with the bullhorn capacity of KUOW’s on-air and digital channels. This is, by nature, an interactive and more personal engagement with the community; often driven by face-to-face interactions8, ongoing relationships, and an active role in facilitating connections and shared understandings. It is radically different from journalism that is ‘separate’ from the community in which it operates.

**Goal** **3:** Establish a pervasive KUOW presence in the community through events that enhance mutual understanding and community engagement.

By more deeply engaging with the diverse cultures in our region, the community engagement team and our reporting organization will be able to:

* Span political and geographical divides, connecting two or more communities together.
* Provide the public with direct exposure to other voices, often without the intermediary perspective of an ‘expert’.
* Create a space for dialog, actively engaging rather than just witnessing/reporting.
* Establish a listening post in the community in order to find powerful voices and stories. Build community connections to KUOW content producers and personalities.

The KUOW community engagement team has made a strong start with recent examples such as Storywallahs and Ask a Muslim. However, the goal is to become a much more pervasive “convener of choice” throughout the Puget Sound region, catalyzing or augmenting KUOW content development through these events.

# Activities

* Expand the number of KUOW sponsored events, to include an increasingly diverse audience. Timing: ongoing
* Create community advisory teams that assist with connections, provide insights into potential stories and help inform KUOW of community priorities. Timing: FY2017
* Establish a formal partnership program that can extend KUOW’s reach. Timing: FY2018
* Build a plan for the RadioActive program to determine its long term direction and maximize its potential. Timing: FY2018
* Establish a more formal volunteer program. Timing: FY2018

7 Benchmarks for this metric will be developed once KUOW has the ability to collect and report on this data.

8 Face to Face interactions result in more positive impressions of partners and greater self-other agreement than interactions via computer. [Getting to Know You,](https://www.researchgate.net/publication/220495981_Getting_to_know_you_Face-to-face_versus_online_interactions) *Computers* *in* *Human* *Behavior*, January 2011.

***Metrics***

* Attendance at events.
* Number of events expands to 10 events a month from 2 today.
* Audience survey question: “Was the event impactful”???
* Number of social media shares about events.
* Number of organizations partnered with during the year.
* Number of stories generated due to events.

**Marketing** KUOW currently has extremely limited resources for both understanding the impact of content and extending KUOW’s reach to its audience.

**Goal** **4:** Build a marketing department that accelerates the promotion, distribution, audience reach, and impact of its content and related activities.

This marketing capacity will enable KUOW to:

* Develop a deeper understanding of how coverage is impacting the community through market research. This research will inform content producers as they develop editorial priorities and practices.
* Improve KUOW messaging, public relations and advertising (especially digital). Improved outreach is critical as KUOW seeks to extend its connections into communities that are relatively underserved – particularly in areas outside of King County, ethnically diverse communities and the young.
* Coordinate practices and activities across the station, to meet audience growth goals.

# Activities

* 1. Build a marketing department accordingly, leading audience growth activities across the station. Timing: FY2017 through FY2019
  2. Complete an assessment of listener needs and develop clear messaging on what KUOW is. Timing: FY2017
  3. Create a marketing plan. Timing: FY2018

***Metrics***

* + - Increase KUOW’s on-air market share of 335,000 listeners to over 500,000 listeners within the next five years.9
    - Audience diversity (exact metric to be determined).

9 NOTE: In addition to the impact of improved content, marketing, and community engagement, the anticipated acquisition of 88.5FM should result in a significant increase in listeners for KUOW that will be the sole remaining provider of public radio news in the the Puget Sound region.

**Organization** The future of KUOW will be demanding and require significant change in staff roles and standards to accommodate the digital world, a new role in engaging with the community, and breaking down departmental barriers that have evolved over the years.

**Goal** **5:** Evolve into a highly functioning organization that attracts and retains great talent, fosters innovation, develops industry leadership, and embraces a performance culture. This will include:

1. Establishing a strong, respectful internal culture of innovation and collaboration.
2. Filling out a strong leadership team and establishing a performance culture with clear expectations.
3. Developing a fully integrated approach to managing station activities and breaking down remaining barriers that exist between departments.
4. Ensuring competitive compensation and attractive career paths.
5. Diversifying staff to reflect the community in which we live.

# Activities

* Improve practices for managing staff and leadership performance, including developing clear goals and evaluating staff. Timing: FY2017
* Implement new workflow and team practices within the programming department that are audience focused rather than channel focused.10 Timing: FY2017
* Provide management and leadership training to staff, focusing on concepts such as servant leadership and teamwork. Timing: FY2018 and ongoing
* Develop career paths and update job descriptions for all positions. Timing: FY2018
* Fund increases in compensation for existing staff where required to remain competitive with market rates. Timing: FY2018 and beyond
* Refresh and rebalance the policies and ‘firewalls’ associated with revenue

development and programming. Timing: FY2017

* Establish coordinated practices for planning and executing cross- department initiatives. Timing: FY2017 with ongoing refinement
* Establish practices for attracting a diverse pool of job applicants.

***Metrics:***

* Staff survey: job satisfaction
* 360° performance reviews
* Number of staff ideas implemented
* Diversity of staff
* Time to fill open positions

10 This project is already underway with Coats2Coats. The effort will integrate digital and on-air content production and establish new performance expectations for content producers.

**Revenue** By deepening its community relationship and producing highly impactful local content, KUOW will increase its listener loyalty and connection. Increasing emotional connections will also generate more revenue.

**Goal** **6:** KUOW will secure its financial future by being able to demonstrate its impact to individuals, businesses, and foundations while leverage leading practices to raise revenue.

KUOW should expect significantly increased revenue in the following areas.

**Membership**: Increasing audience size directly results in more people contributing. Increasing loyalty via compelling programming generates even more revenue as the average contribution increases.

**Investments:** The ability to articulate a clear, aspirational direction is the best method of attracting major investments from the community.

**Grants:** Just as with private donors, grants are more likely to be awarded to those organizations that are focused on innovation and community impact. KUOW will attract larger and more frequent grants, as specific initiatives are developed that are innovative and support the overall direction outlined here.

**Digital** **revenues:** As listeners of on-air migrate to consuming online, KUOW will learn to attract donations from this audience. Digital fundraising for public media is a new discipline and KUOW will need to test many methods in order to become proficient at generating this revenue.

**Underwriting**: Underwriting revenues will benefit from increased

audience. Development of a digital platform that allows for new types of ads and placements will provide a new revenue source.

**88.5** **Purchase** In late 2015, Puget Sound Public Radio (the operating board of KUOW) and the University of Washington approved the purchase of the assets of 88.5FM. 88.5 FM will be dedicated to a jazz music service. After the acquisition, there would be a single Puget Sound public radio news service. This transaction remains open pending the FCC approval process and a potential competing offer from the KPLU community. For the purposes of forecasting audience share and finances, it is assumed that this transaction would be completed by January 2017.

The potential acquisition does not change our overarching objectives and strategies. Rather, it reinforces existing priorities to:

* Cover the entire Puget Sound region.
* Engage more with local communities in Western Washington, especially in the south Puget Sound area.
* Create new content with appeal for diverse audiences.

# Financial Projection

To support KUOW’s direction, expenses will need to increase, primarily driven by increased staff and technology investment. This will include significant increases across most KUOW functions including Digital, Revenue generating departments, and Marketing positions.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
| **Staff** **positions** | Xx | Xx | Xx | Xx | Xx | Xx |

The major expense item is a capital investment in a digital technology platform. KUOW must construct this digital platform to enable flexible content publishing, revenue generation, and community development. KUOW anticipates spending approximately $1.6M over the next three years on this effort.

Most other expenses are expected to follow normal growth trajectories driven by inflation, market compensation, etc.

**5-YEAR** **FINANCIAL** **FORECAST**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| **Revenue** |  |  |  |  |  |
| Individuals | 10,195,219 | 11,326,002 | 11,917,961 | 12,610,262 | 13,619,412 |
| Underwriting | 4,230,000 | 4,420,000 | 4,573,600 | 4,700,908 | 4,818,780 |
| Gifts & Grants | 1,000,000 | 1,500,000 | 2,250,000 | 2,500,000 | 2,500,000 |
| CPB | 762,629 | 779,947 | 768,402 | 756,856 | 745,311 |
| Interest Income | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Univ of Washington | 124,000 | 124,000 | 124,000 | 124,000 | 124,000 |
| Other | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 |
| TOTAL | 16,337,848 | 18,175,949 | 19,659,963 | 20,718,026 | 21,833,503 |
| **Expense** **by** **Function** |  |  |  |  |  |
| Salaries | 9,573,101 | 11,062,180 | 11,636,382 | 12,264,805 | 12,907,060 |
| Professional  Services | 654,888 | 697,386 | 675,134 | 688,137 | 701,399 |
| Contract Services | 4,891,765 | 5,396,458 | 5,511,998 | 5,623,882 | 5,745,411 |
| Travel | 102,415 | 103,389 | 105,373 | 106,366 | 107,370 |
| Supplies | 322,858 | 326,036 | 329,247 | 332,489 | 335,764 |
| Other | 16,000 | 16,000 | 17,000 | 17,000 | 17,000 |
| TOTAL | 15,561,027 | 17,601,449 | 18,275,134 | 19,032,679 | 19,814,004 |
| **Net** **from** **Operations** | 776,821 | 574,500 | 1,384,829 | 1,685,347 | 2,019,498 |
| Debt Service | (147,698) | (295,395) | (295,395) | (295,395) | (295,395) |
| **Total** **after** **debt** **service** | 629,123 | 279,105 | 1,089,434 | 1,389,952 | 1,724,103 |