

## Interview with Jane Seagrave

### Senior Vice President, Global Product Development Associated Press



Jane Seagrave, in her current role as Senior Vice President for Global Product Development, oversees the development of AP's next-generation (Web 2.0) multimedia product portfolio, mobile and Web video, as well as key content verticals, including entertainment, sports, business and politics. Previously, Jane was Vice President of New Media Markets. Prior to AP, she held senior executive positions with American Lawyer Media, was CEO of localbusiness.com and served as President and Chief Operating Officer of Legal Communications.

A graduate of Bowdoin College, Seagrave holds a Master's Degree in public administration from Harvard University's John F. Kennedy School of Government.

Jane can be reached at [jseagrave@ap.org](mailto:jseagrave@ap.org)

Interview conducted by Doug Berger, managing partner, Innovate LLC. [doug@innovate1st.com](mailto:doug@innovate1st.com)

Doug: Can you start us off by briefly explaining the business and organizational model of Associated Press?

Jane: The AP was founded as a cooperative of newspapers and still is owned by its U.S. newspaper members. The theory was that the various newspapers that were dispersed around the country could be made more efficient by pooling their resources to cover certain international and national events, and certainly any major disasters. Over the years, this expanded to include statehouse news and anything that required intensive reporting. The AP has grown up to a staff of about 3,000 journalists all over the world. Our staff largely does their own reporting in text, photos and video. We do get tips from stringers, monitor other media, and receive some contributions from our members. We combine all of that information and create what is often referred to as "the wires" - providing news feeds in different ways to different audiences.

Doug: AP is front and center in all of the different trends that are affecting media and information. What key trends have direct bearing on AP and the entire news ecosystem?

Jane: The Internet, of course, has created a revolution in the way that news is consumed, affecting every part of our business and that of our members and their customers. Throughout the evolution of news media you could rely on geography limiting the amount of news coverage that any one distribution outlet could disseminate. There was some limit to the circulation area of any single newspaper, radio station or TV station.

Now, suddenly and disruptively along comes the Internet, and information isn't limited to geographic areas anymore.

Another trend is the time value of news. As soon as the first word is out -- "President Shot," "Markets Crash," "Plane Goes into Building" -- you've got a big piece of the story already out there. So a piece of news that's flashed on the Internet begins to lose its value very quickly.

In the news industry people want, and now can get, their information anywhere - anytime. You're seeing international and national news available from sources that were not available in the past. That's changing the nature of what people are looking for from their traditional news products.

You have changes in the business model of newspapers. Want ads, real estate listings and other classifieds have moved online. Newspapers are no longer alone in capturing this revenue.

With information now online, intellectual property issues are not as clear as they were when most news came from print or broadcast. One of the things we've discovered recently, however, is that there's already a swing back from user-generated content to professionally produced content, vetting and fact checking - the core value that we knew was there.

Doug: AP started out being a breaking-news organization and you've now identified some new strategic areas of opportunity.

Jane: Breaking news will always be the core of the AP. It's what we know and do best. We already have a 24/7 newsroom. We have reporters who are used to getting the early word out on stories and updating them in real time. We produce our own video, photos and text, and we've packaged it in a way that already makes it very accessible. This positions us perfectly to take advantage of news on demand.

In the course of covering breaking news, the AP has developed expertise in certain areas: politics, sports, entertainment, business and finance, among others. We understand the effect of breaking news on the world economy. For example, floods in India, or hurricanes in the U.S., or earthquakes in China, all have their impact on the rest of the world.

The AP has now realized that in addition to covering the breaking news part of that story, they can dig a little deeper and create vertical expertise. This gives us more to sell, and a better ability to carve it up and monetize it.

We have an enormous broadcast-video gathering arm headquartered in London. Much of the video you see on the networks actually comes from the AP. For the most part it is not branded. It's provided as white label content to other media companies. So over the years, we've created this content and now we have archives of great historical video. And we began to see that, gee, we don't need to just provide it in real time. If we could begin to archive it, we could sell the archives in new ways.

Another opportunity involves bringing together our membership of local newspapers and broadcasters. We've got an initiative called "the Digital Cooperative," in which we're enriching local media content with metadata for sorting, categorization and searching. The idea is that we all get together, collect our content, tag it in the same way, and make sure that we're prepared to realize whatever ultimate business models are coming

down the track. To think that we know exactly what they are would be untrue, but we do know trends.

Doug: Let talk about AP product and service innovations being driven by the trends, and the strategic opportunity areas you have defined.

Jane: Our Mobile News Network is the first product we've launched based on the Digital Cooperative idea. AP has been able to bring in content from more than 1,000 members because of its singular position in the news industry. In the new world, people do want their local news anytime, any place. Having a single aggregated point enabling you to get news from anywhere becomes a real advantage. We have brought together our own top news and local information from a lot of our members, in a format that you can search by ZIP code, by hometown, by your mother's hometown - really in any way that you want in order to get at the information that you want in a single package.

Local news anywhere has merged with the trend in mobility. Our new product provides up-to-date news from the AP and its members in text, photos, and video in an easy-to-consume multimedia experience for the end user. We launched on the iPhone and now have a Blackberry version, but we will be rolling out client applications for all the leading Smartphones on the market. I just got our latest traffic numbers and in September we had 26 million page views, up from 15 million in August. When we launched our mobile site, we really thought that the Web site was going to be the big traffic generator for us. To our astonishment, we've had much more traffic driven by client applications. The iPhone store has been the largest source to date. We didn't know that would happen so we shifted resources really quickly to modify our strategy.

Another product we introduced, very opportunistically, was a financial newswire for the savvy investor, not the professional. We do not compete with Bloomberg and the very high end. This is a new market segment for the notch below. We sell it to customers like Yahoo Finance and Microsoft for the next tier of people who want to keep track of what companies are doing for their own personal career and investment reasons. That hit a chord. Clearly in this marketplace, people are very interested in their money. We've begun to layer that with more in-depth reporting in certain hot areas, like real estate and personal finance. We are in a position to report about the global economic crisis because that's what we do. So in some cases, we've lucked into trends.

We have an effort to take content, enrich it with metadata and advertising tags, so that advertisers can find the kinds of stories they would want to associate with their ads. We're looking at new delivery methods that are more efficient. We're looking at pooling and aggregating content of our own with members in different verticals. We hope to be able to monetize this at a premium.

Doug: AP has also innovated back-office infrastructures for your various member newspapers.

Jane: One example is what we call the Online Video Network. The AP produces about 60 video clips a day on a range of topics including breaking news, entertainment, sports and financial news. That is a fairly complete news package in video. We license that in a variety of ways, but also distribute it in a package to more than 2,000 affiliates in a network model that is supported by advertising. The ads are sold centrally to take advantage of the distributed traffic. The membership benefits because they have a rich multimedia content source, can sell their own local ads, and they share in revenue from the national ad sales.

Doug: We are talking about redefining AP. How did this redefinition come about and what has been the journey over the last several years as you've been redefining yourself?

Jane: Tom Curley, the CEO, came in about 5 years ago and brought in a lot of new energy and a number of new people, including myself. Before Tom came in, the AP really had been run primarily by journalists, and had an extraordinary reputation for credibility, accuracy, and honesty. It was run as an expense side business with the aim of keeping costs as low as possible. AP didn't have a depth of business experience on the revenue side. The new team began to think about the business in a different way. We've recognized, as a lot of businesses have, that we need to diversify our revenue stream because every piece of it is potentially at risk in this changing digital world. We realized that if we were to continue to grow, we needed to focus on how we could help our members and the AP itself, generate new sources of revenue.

We are going through AP systematically and asking strategic questions. What is the core competency of the AP? Where are we really adding value? What can we enhance that will strengthen our balance sheets? What can we enhance that will help our members compete going forward? This is made more challenging because we are not a single, vertical company.

Ultimately the business model for news has always been advertising-supported. The idea of figuring out how to package it in a way to make it unique and interesting to advertisers is the big challenge, and we've made a lot of progress there.

Doug: This has been a substantial game change for AP. To pull something like this off really does take a lot of leadership.

Jane: That is true and if you've been reading the media, you know that it hasn't been without some controversy. Some of our membership has been uncertain about why we're doing what we're doing and whether it helps or hurts them. I know that we are always looking after our membership, but it's sometimes in ways that may be less obvious than others. For example, years ago, we observed that the major portals were using news from other less credible sources than the AP. A decision was made with the full support of our board, to license our news to AOL and ultimately, to Yahoo and other portals. Now, in the fullness of time, there's concern on the part of some newspapers that we end up competing with them by having AP news on portals. Each time we made those decisions it was with the belief that the market was forcing us to do it or someone else would and we'd be sidelined. That isn't obvious to all of our members.

Doug: Given the disruptive changes taking place, how is AP engaging in the strategic conversations with your member organizations? How are you prepping your member organizations for future changes?

Jane: We do it all the time. We do it with great care and collaboration. We do it with a certain amount of trepidation. When you look out, you have to see that the online model will survive, but it may not pay at the level that the old model paid. How you bridge from here to there is the question on everyone's mind. We've done a number of things to try to collaborate with our members. The Mobile News Network is part of a broader initiative called the "digital cooperative." The digital cooperative is an attempt to bring the members together.

Part of the problem is that the newspapers right now are overwhelmed. They're in a tough spot. They're getting offerings from AP with which they don't know what to do, and we're trying to ease that as best we can. But it is difficult.

Doug: There's a potential for competition with your members.

Jane: To some degree that's fair. However, we can't stop the disruptive change. We can't stop the likelihood that total industry revenues will decline. We can, however, provide our members with options.

On a case-by-case basis we try to decide how best to accommodate the diverse interests of our members. You're seeing the Mobile News Network absolutely embraced by our members. This is due in part to the fact that mobile is an area that they have not figured out. It's a green field. The real estate on Smartphones is so small that there really isn't room for multiple news providers. So there's a certain efficiency in having a single source of news. Also, you would most likely never get national distribution without aggregating your content, unless you're one of two or three household media names. So local media is sharing in revenue on which they would otherwise miss out. The Web is more nuanced because some people do believe that we're helping them, and some are concerned that we may be cutting them out.

Doug: How does AP confirm the commercial worthiness of an innovation?

Jane: We continually offer up and try a variety of new things. For example, we have a handful of still photographers doing video essays, which are quite different from a produced video clip that you ordinarily see on the Web. They take the aesthetic of a still photographer and really investigate a topic. We're trying these out selectively, on our Online Video Network, to see whether we can generate ad revenue from them. Are they different enough? Are they eye-catching enough? We do these things on a very small basis.

In some cases, we've learned from our mistakes like anybody else, and we've paid attention. For example, a few years ago we started something called ASAP, which was a multimedia service designed to capture the young audience. It was a really good idea and it produced a lot of very innovative journalism, but the format and distribution model was probably wrong. In hindsight we realized that we had older people trying to determine what young people wanted and how they wanted to get it. Ultimately, we learned that young people were going to decide for themselves. You can't set something up that dictates: "Here young people, this is for you."

Doug: Are there any concluding comments that you would like to make?

Jane: We've talked mostly about things that we're doing in the U.S., but many of AP's biggest opportunities are outside of the United States, where we have a large news gathering staff, and content that's of global interest. Traditionally, we gathered news internationally for delivery to a U.S. audience, and only relatively recently have we made a concerted effort to package and market our news for other international markets. We're shifting resources to cover new economies like China, and to test Arabic and Mandarin-language services. Many international news agencies are either state-owned or state-supported, so it can be a common misperception that we have ties to the U.S. government. We place a lot of emphasis on our making sure we maintain our reputation for accurate, unbiased reporting.

