

Gannett Continues Its 'Cut To Grow' Model

FLORIDA, UNITED STATES, October 13, 2022 /EINPresswire.com/ -- Gannett announced a new round of cost-cutting measures on Wednesday, to help the "endure challenging economic environment."

Five days of unpaid leave, voluntary severance, and a pause in the company's 401(k) match.

"While these actions are tough, they are critical to Gannett's long-term success," CEO and Chairman Michael Reed told employees during a Wednesday company-wide meeting according to The USA Today. They "ensure we are prepared to withstand the uncertainty that lies ahead."



In August, Gannett laid off 3% (more) of its staff or roughly 400 employees, and nearly 14,000 were laid off at the end of last year in the United States.

As a long-time [newspaper](#) guy, I fell in love with the idea that papers are a 'daily miracle' and are a fabric of a community.

I recall a resident in Polk County, Florida calling me (as Publisher) and asking for a copy of the paper that her daughter was in that day.

My reply was "of course, I will get you a copy, and when you stop in to pick it up, I will have a subscription form for you and we can deliver the paper each day to your home."

But things changed in the business, at least with the focus of executives, and the race for the new "savior" product.

Somewhere along the line, the folks at the top saw too many shiny objects, and all at once started throwing at the wall anything, to see what would stick.

Unfortunately, without a newspaper, at a newspaper company, you can't survive. Like a car dealership without cars.

Yes, there are hefty costs in doing business in newspapers, with increases in paper, ink, plates, labor, benefits, circulation, trucking, and the list goes on, however, local businesses and subscribers were a part of our family and supported the efforts each day.

The businesses supported the local papers by advertising and subscribers paid for the home delivery, for those who don't know how it works.

Execs will say the advertising dollars dried up. But I would disagree. Execs will also say the subscribers left. No, we left the subscribers.

Let me explain.

When [digital](#) became a thing, I was just a sales guy who was sought out to sell banner ads onto a website. All the while I learned from seasoned sales reps, spent time on the dock, learned how the press ran, and spoke with reporters and editors. I was intrigued.

"We print a unique product every day," I would say. "Come hell or high water, the paper is getting out."

And it did.

Now, this was coming from a 'digital' sales guy at the Pittsburgh Post-Gazette that had fallen in love with the press. Fallen in love with the idea of being a part of something so much larger than myself.

As I worked my way around the building and ranks, moving into higher roles and becoming a Vice President in North Jersey, my learning continued. My enthusiasm grew and at the time (2011) it seemed that nothing could stop us. Again, I worked on the digital side of the business but was always excited to speak on the importance of print newspapers.

I spent time developing products that could merge print and online together. NJ Business actually wrote a story on an Augmented Reality Technology app that I had created for NJMG to use in conjunction with print.

Although it may have been before its time, to me it was important as we dove into the rapidly changing technology world.

From Jersey to Tampa.

During my time as Publisher of the Tampa Tribune (started in 2013) was the first time that I realized the print business was changing and needed to change somewhat. But our print product was still number one.

In revenue, it was number one, while digital was less than 10% of all revenue coming into the company. Print was needed.

The ownership group, at the time, would suggest savings by cutting print, cutting staff, and cutting sections. But you can't cut to grow, as I would point out.

"If we cut the amount of days we print, we will need to refund subscribers and risk cancellations – revenue loss," I recall saying, possibly not verbatim.

However, in the newspaper business, you get used to hearing the word cut, although I would try to prevent it as much as possible.

The Tribune was sold in 2016 to the Times Publishing Group which consolidated the two papers and if I recall correctly, came up with the slogan, "One For All."

After that sale of the paper, I told myself to try something new, especially in the tech space, but soon found myself as the Publisher of The Ledger in Lakeland, Florida.

Like all of the other places I had worked in the industry, the folks at The Ledger were tremendous and had huge hearts that would, as my old boss Pat would say, "run through a wall for you" and they did.

The major difference with The Ledger is that it was owned, at the time by Gatehouse now Gannett, a mammoth conglomeration of newspapers.

What I found was the folks working on the streets, meeting with the advertisers, attending community events, reporters on their beat, and everyone pitching in where they were needed in the building, were far less important than someone you had never heard of who has developed the next best thing.

A new marketplace for consumers to sell their products on.

A real estate section to compete against realtor.com

A new consortium to join (for my newspaper friends, remember the joke of Yahoo consortium)

An automotive platform (think Autotrader)

A deal with Monster.com for our Job. (Yep, we gave our business to digital companies)

Events....Don't even get me started.

You get the idea. None of these things had a damn thing to do with a newspaper.

So, yes, the advertisers left. How could they not?

We would walk through the doors of our advertisers with new widgets and products every day, explaining how we have the next best thing and that this new product would grow their business, but there was nothing extremely innovative.

But we stopped talking about our newspaper. Our core product.

Our subscribers dropped. You can't blame them.

We would increase rates astronomically high to a point that someone on a fixed income could never afford it.

We cut the product and raised the price. People left. What did these execs think would happen?

We offered "premium products" in the print edition for a surcharge, but conveniently hid it from the subscriber until their credit card was charged. People left. What did you expect?

We cut the papers in size (which was needed) but also cut the page counts, and content. People left.

We stopped talking about newspapers and stopped caring for the thing that paid the bills and the thing that people gave blood, sweat, and tears over every day and night. Our core. Our product.

So adding this all up is simple – circulation is up, advertising is up, newspapers deliver results for advertisers, and they are happy to spend more money.

When you cut, this chain reverses, and your business starts to crumble, slowly but steadily and you keep cutting.

Newspapers are a victim of their own circumstance, perhaps.

I'm saddened by the news today with Gannett.

Hell, newspapers have broken my heart many times over the years. Communities will suffer and have suffered. Mark my words.

Newspapers are necessary, even in the digital world.

As I attempted to leave newspapers, as they have left me many times, I couldn't walk away. So I started The Free Press.

Who knows, maybe one day I will turn this into a tab or broadsheet. In the meantime, we have

incredible support from local businesses in the Tampa market and some national friends. Readership is growing each day, and a family has been built here.

[Growth](#) is important. Not cutting.

If someone could speak with Mike Reed and let him know I will be happy to talk about acquiring any and all of the Florida properties to rebuild them as we grow TFP.

Brian Burns

The Free Press - Tampa

brian@tampafp.com

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