

Audio Transcript

Episode 250 of <u>"E&P Reports"</u> Vodcast Series with Mike Blinder

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Lookout Local expands to Oregon bringing back Jed Williams promoting Ashley Harmon and hiring NYT digital pioneer Kirsten Carroll

The Pulitzer Prize-winning digital news outlet Lookout Local, founded by Ken Doctor, is expanding its innovative approach to local journalism beyond Santa Cruz, California, with plans to launch Lookout Eugene-Springfield in early 2025. This move marks the beginning of a broader national expansion strategy, aimed at revitalizing local news in communities across the United States. Hear insights from founder and CEO Ken Doctor, plus newly appointed COO/CRO Jed Williams and chief of staff, Ashley Harmon,



0:00:00.0 Announcer: This is E&P Reports, a vodcast from Editor and Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:21.8 Mike Blinder: And greetings once again. Mike Blinder, Publisher of E&P Magazine. As always, we start off the program with simple housekeeping, listening to the program on a podcast platform. We urge you to follow us and help your friends follow us and your friends', friends, follow us and their relatives. If you're watching on our YouTube channel, there's a subscribe button below, a bell to the right. Smash those suckers any way you like, and you'll get an update each and every time we upload a new episode of this weekly vodcast series we call E&P Reports. I've got regulars on all of you are veterans of this show. Ken, this is your fourth appearance, Jed, this is your second. And same with you Ashley. Let me introduce you. Ken we have a new tradition, Ken Doctor, we no longer read and bore the audience with your bios from LinkedIn.

0:01:06.3 MB: If you're famous like you, we go to ChatGPT 'cause every other story we do is on AI. And we tell the audience what ChatGPT says about you, and then you...

0:01:15.5 Ken Doctor: Oh my God.

0:01:16.8 MB: You get to rate it on an A and an F. Okay. How well they did. Ken Doctor is a well known media industry analyst, consultant and author. He is recognized for his expertise in the transformation of the news business, particularly in the digital age. Ken has written extensively about the economics of journalism and the challenges it faces. Ken is the founder of Lookout Local. Our topic for today, I inserted a network of local news sites that aims to provide high quality journalism and fill the gaps left by from "ChatGPT", the decline of local newspapers. He's also the author of the book Newsonomics. I do have a copy, not sign. Thank God. Twelve New Trends That Will Shape the News You Get. I inserted some of my own stuff in there, Ken. How did it do A to F?

0:01:58.1 KD: I'd give it an A minus, the minus only for some lack of color, but very, very accurate. And hold very expertly from guess what the Lookout site.

0:02:11.2 MB: There you go. But it claims it, doesn't it?

0:02:13.4 KD: So it tells us everything about what's going on, what we're in the midst of right now.

0:02:16.8 MB: It breaks your content and doesn't give you the damn page view. That's another issue for another conversation. Jed's description on ChatGPT was lengthier than yours.

0:02:25.7 Jed Williams: What, how?

0:02:28.3 MB: It was. Jed Williams is a media and technology executive with extensive experience in digital strategy, business development, and innovation within the local news industry. He is known for his work in helping media companies adapt to the rapidly changing digital landscape and develop sustainable business models. Jed Williams is widely recognized for his contributions to the local media industry, particularly in helping traditional media navigate the complexities of digital transformation. Now, I truncated a lot of this but Jed, that's not what you're doing here and what



we're talking about, oh, by the way, Ashley Harmon it says Ashley Harmon Homes. Do I have that right?

0:03:03.6 Ashley Harmon: Oh, yes.

0:03:05.4 MB: You don't have it. Anything on ChatGPT yet. You gotta work.

0:03:07.2 AH: I believe that.

0:03:10.1 JW: Oh.

0:03:11.3 MB: Work on your fame, but you are currently, correct me if I'm wrong, the senior director of partnerships and audience at Lookout Local Santa Cruz. When I had first had a Ken and Jed on my show, it was at the beginning when you were just releasing what you were doing, Ken, Lookout Local.

0:03:29.3 KD: Right.

0:03:30.4 MB: I challenged you on it rather than take your years of expertise and all of your knowledge 'cause you know, and invest that in a existing media, legacy media environment, you and Jed actually said on this show, no, we don't want that culture. We're breaking out on our own. And now you're doing it all over again. And a bigger market becoming a digital disruptor in Eugene, Oregon. And we're gonna unpack all of that right after this.

0:04:00.9 Announcer: This episode of E&P Reports is exclusively sponsored by BLOX Digital formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management and more. Join the over 2000 news publishers worldwide that power their ongoing digital transformation with BLOX Digital serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you at scale with the community you need to reach. BLOX Digital, formerly TownNews, now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at bloxdigital.com.

0:05:05.4 MB: Ken Eugene, Oregon is not Santa Cruz. Santa Cruz, correct me if I'm wrong.

0:05:12.3 KD: Geography... Your geography is very good.

0:05:14.7 MB: Yeah, Santa Cruz is a market of 61,000. It doesn't really have anchored local television. There's more regional TV stations that serve multiple markets. It doesn't have an anchored radio news presence. It did have an existing paper and you did go on the show and call it a news desert. We had local publishers scream it's not a desert. But you went in there and you conquered, you actually shared with me a video of the mayor of Santa Cruz complimenting you and an amazing work you're doing serving that community. And that was Lookout Local. Jed, you joined that team originally. That was five years ago. As the Chief Revenue Officer, Jed, you had the chops for it.



0:05:53.8 MB: You've been everywhere. You've done everything. And you made this thing cook and now you're expanding to a whole different environment. You guys have decided, first of all, congratulations. There's going to be a new Lookout Local and it's gonna be in Eugene Springfield, Oregon. Now, Eugene Springfield is a market of 177,000. I've worked that market as a consultant. It's a recession proof market because it actually has a University of Oregon. You got all of that going on. You have a full buffet, if I can use that term of local television doing local news. You got a big Daily in there that's not doing that great. You've also got a Weekly in there and you've got a local radio station that claims it's doing local news talk. You are going in to be a disruptor in an established local news market. Do I have that correct?

0:06:50.4 KD: That is true. The market sizes Mike, are important. So in Santa Cruz, it's Santa Cruz County, and while the city is about a fifth of the county, Santa Cruz City, the county's a quarter of a million. And that's really important for market size. And of course, what we can yield from earned revenue in advertising and membership. Eugene Springfield is 400,000 so basically for about 50% bigger and the newsroom is gonna be 50% bigger there than Santa Cruz. So the size of the market is important. We've been aiming to theoretically we said Lookout work in communities of about 200,000 to a million. That's our going in idea. And the commonality is as important as the difference, which is these are both cities that have a high degree of educated, affluent people, both university towns who value local news, local connection, and community betterment, and who lacked a major source of primary local news. So that commonality is...

0:08:00.2 MB: I am going to get... I'm gonna get heat on that 'cause people are gonna email me and call me and scream, we are in that market. We are serving that market.

0:08:08.0 KD: Yeah.

0:08:08.2 MB: But you are claiming it's a news desert or a news underserved.

0:08:13.1 KD: No. I'm saying, people tell me, I've been there 10 times now. Ashley came two or three times, I think over the last year. We've talked to more than 500 people. They tell us that they need a new source of primary news, basic city coverage, city council coverage, county coverage crime and crime and education coverage. That's what they've told us. And we have raised our model is to use philanthropy for capital and then rapidly build earned revenue. We have 21 couples or families and five family foundations who have have put that belief into practice that give us the capital to launch there. So I'd say it's pretty clear what people there think they need and we're responding to it.

0:09:05.5 MB: All right. Now, Jed, you're coming back. You're gonna be that street fighter. You launched the revenue of Lookout local Santa Cruz and you're... Are you moving from Raleigh over to Eugene? Is that your plans?

0:09:21.2 JW: First off, let's not lionize me too much because I think Ashley has done more of the on the ground street warrioring fighting work than I have over the past three or four years. But...

0:09:31.0 KD: That's true.



0:09:32.2 JW: Yeah. So I am coming back. It feels like an incredible inflection point and takeoff point to come back based on what we just talked about with Eugene. But I think and Ken will talk about this more, Eugene becomes like this launchpad for a Lookout network over the course of the next several years that becomes multiple sites. Now you gotta land and expand, you earn the right to do that. So we're gonna go into Eugene, Springfield and figure out the best ways to be a primary source and serve that community. But from there you're talking about building playbooks, a model capital, the right people on the ground and nationally to be able to bring this to more places flexibly, scalably. To answer your question, I will work remotely and go to the West Coast, but I think that is also actually emblematic of where we're going as a business, which is this combination of in the markets that we select intensely on the ground people highly paid, well-trained, skilled that know the community doing the journalism work and the partnerships work and things like that. And then the beginnings of a national team to build out a model, a revenue and partnerships and technology model that can travel and expand us faster and efficiently.

0:10:49.3 MB: So you're in it to build more Eugenes. Ashley, are you relocating from Santa Cruz? You're gonna be full-time in Eugene?

0:10:58.5 AH: No. So actually us three we're part of the national team. So Lookout has the national team that with the local on the ground people in each market. So as we're pushing in Eugene and early next year, you're looking also at the next three markets after that of where are we going to next? And with us plus Kirsten Carroll, we are looking at those future markets and expanding that with.

0:11:24.2 MB: Wow. So you're gonna be coming on the program a lot more.

0:11:27.7 JW: Yeah.

0:11:27.9 KD: And Mike, I wanted to add...

0:11:30.6 AH: I'll build my job description in chat...

0:11:35.4 MB: Through this program.

0:11:36.7 KD: Mike, I wanted to add that part of our announcement is that Ashley has been promoted for either the second or third time in three plus years to now being chief of staff of Lookout. And so that is really important part of what we're doing here of this is a lot of complexity as you know, know of going to a second market of doing the playbooks that Jed's talking about and really figuring out what we've learned and what we can do. And so she is, has been in the middle of taking the marketing partners program that Jed created at the beginning and as he said she's done the street fighting, but also so much of the product work, the audience work. And so we now have this national team, Ashley mentioned Kirsten. Kirsten Carroll joined us about six weeks ago. Spent eight years I think at the New York Times from the beginning of the paywall. So she is the director of member and audience growth. So you can see that the key things, as Jed said, let national be national and drive the models, but on the ground it's local and to your heart here we have a local publisher. We will have a local publisher and a local executive editor in Eugene. That's what's



essential to drive these forward.

0:12:47.1 MB: Ashley and Jed, you both have revenue positions then, is the model in Santa Cruz, you had many legs on the stool. You had contribution philanthropic dollars, you had of course reader revenue from paywalls and what have you, but you also had advertising revenue. Correct? Are those the three major legs or I'm missing something there, Ashley?

0:13:11.0 AH: And then I would also add licensing. So programs like Google Showcase or in local libraries, that kind of licensing of our content is also a smaller, obviously smaller than advertising and membership/reader revenue, but also there as well.

0:13:26.6 JW: I come in. Let me speak strategically to the model for a minute. Kind of the history of the model and the future going forward of the model. I think it's important, as you noted, and as Ken talked about, you need launch capital, whether it was in Santa Cruz or it's in Oregon, or it's the next market in the network after that. And we talk about upfront, kind of our special sauce is the combination of the model and everything that's in the model plus the capital plus the team. But our idea, and I think it has proven out over the course of four years in Santa Cruz, and we're confident it can in Eugene and others going forward, is over time we will be largely earned revenue driven. Doesn't mean we're not gonna have some philanthropy, we will, but we don't want to be overly dependent on that.

0:14:08.2 JW: And I don't think philanthropists want us to be overly dependent on them ongoingly and coming back time and time again. Often what philanthropies is putting money into is to give you seed capital to figure out your model, to be able to be sustainable. And so our revenue stool to Ashley's point, and yours is multiple lagged today with really healthy, robust legs of that stool being both advertising, marketing, partnership, and there's room to grow that and diversify that. And then subscription membership. And there's room to grow that even in Santa Cruz, which is again, that Kirsten Carroll hire, having a director, a person that can really drive that. You've got auxiliary earned revenue sources. And I can tell you, this is one of the things I'm excited about coming in as CRO is the ability to one, take that, extend it to other markets, but two, like the legs on that earned revenue stool, Mike, are going to continue to grow.

0:15:05.3 MB: What's the overall mission statement?

0:15:09.2 KD: One sentence, which is, Lookout looks out for Santa Cruz County and you.

0:15:15.2 MB: There you go. All right.

0:15:16.9 KD: And that sums up so much about what we do. And one of the... Our major mantra, if we have an informal mantra is show up, which came from Ashley and pervades every part of the enterprise about relationships in the community. And what we're focused on is reaching out lookout, listening sessions, connecting with people in all kinds of ways, and really do a thorough job of the news and engage in the population. That's our focus.

0:15:43.0 MB: And you've gotta Pulitzer prize to...



0:15:48.2 KD: That's true. Yeah. It's true.

0:15:49.2 MB: I'm sorry, I was flipped. I mean, to have this thing start out of nothing and then build I mean, you're laughing, Ashley, but you gotta say that's pretty cool, right?

0:15:58.3 KD: It was astounding. May 6th, we'll never forget it, but it is, we got the Pulitzer ceremony October 24th in New York, and I have no idea if we get to say thank you or anything there, but been thinking about what this is about. And of course we responded to a crisis, this was a flooding in January '23. But it's about being ready. And what we had and have is a group of people 15 really now 17 in Santa Cruz that was ready to cover this. And so the essence of this is we've got it down to capital, as we said, models and people, and it was the right people. And now we're looking for the right people for Eugene, Springfield publisher editor correspondence.

0:16:45.9 MB: There you go. And of course, we can put a link on the landing page of this show for people who are interested. Who...

0:16:53.8 KD: Thank you.

0:16:54.4 MB: I will do that.

0:16:54.9 JW: Mike, that's what's I think most exciting is we feel like we've got, the model's never perfected, but we feel like we've got a model that, as I like to say, can travel. We've got the capital to do it and now it's about the team. And it's, I think this is no surprise to any of the four of us. It's always about the team. Your culture is your people. Your model is expressed by your people. And now we're in a position to be able to double down on the ground resources in Lane County and the national resources to really bring this to the forefront.

0:17:25.2 MB: Well, Lookout Pacific Northwest. Lookout, Eugene Springfield is coming and launching, and you heard it first here on E&P with Ken Doctor, the founder of Lookout Local. Ken, what is your official title? Are you just now head honcho? What do you with... Now that you're a franchise, what do you do?

0:17:49.1 KD: No, as founder and CEO.

0:17:50.7 MB: All right, we have Jed Williams who's returning to the fall as the COO and CRO and Ashley, congratulations. You're now the new director of operations. Do I have that correct?

0:18:04.4 KD: No.

0:18:05.8 AH: Chief of Staff. Yes.

0:18:06.1 MB: What? Excuse me. I have that wrong. What is the title?

0:18:09.8 AH: Chief of Staff.

0:18:11.4 MB: Chief of Staff. Just like the election. Nevermind, I don't wanna get into politics.



0:18:15.2 JW: I salute her every time we're on a call. I salute her. We're the White House press briefing.

0:18:20.2 MB: Sounds like we're gonna be checking in with you like we did before. Remember we gave you some time to cook and then we checked in with how you were doing in Santa Cruz. That's when my bro, so I had you on twice. We're gonna do that again with your permission, Ken. But then we're gonna be talking about new markets, I'm sure. We'll keep your eyes on you. We appreciate you guys joining us and good luck on the launch.

0:18:37.0 KD: Thank you so much.

0:18:38.8 JW: Thank you, Mike.

0:18:39.9 AH: Thank you.

