Audio Transcript

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with Mike Blinder

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From sales to SaaS: Todd Handy's playbook for sustainable local media

What if local media companies stopped acting like publishers and started thinking like SaaS platforms? That's the provocative challenge laid down by veteran digital strategist Todd Handy in a recent episode of *E&P Reports*. Drawing from decades in media, tech, and recurring revenue models, Handy believes the path to sustainability lies in ditching short-term campaigns and embracing lifetime customer value. His message to news leaders: the future of publishing won't look like a newsroom — it'll look like a software company.

Mike Blinder

What if local media thought like a SaaS company? That's a provocative question Todd Handy is asking and answering in today's episode of *E&P Reports.* Greetings. I'm Mike Blinder, publisher of *E&P Magazine.* Welcome back to another episode.

Todd, welcome to the program. I've known you a long time. I mean, since what? The pioneer days of digital marketing and all that, right?

Todd Handy

That makes us both sound really old. We'll say we've known each other for a long time. You bet.

Mike Blinder

Okay. Todd is a seasoned digital revenue strategist with deep experience in media, SaaS, and BPO. He's led digital transformation efforts at companies like Deseret Digital Media, Beasley Media Group—great company—and MarketStar, where he specialized in building recurring revenue streams and performance-driven sales teams. He also still serves on the board of Local Media Association. You're still on that board, aren't you?

You're still shaping the way of local media. And now you're a consultant, a fractional executive, helping organizations rethink growth using SaaS principles. Define SaaS for us—what does that acronym mean, for those who don't understand it?

Todd Handy

Sure, Mike. SaaS is simply Software as a Service. Most folks would know it by the different types of platforms they use on their PC. So, it might be monday.com for project planning, or Dropbox for storing different files and so forth. Frankly, it could be Google Drive or anything else. It doesn't have to be a smaller company—it could be a very large company. At the end of the day, it's all driven in the cloud.

But SaaS software really has some great principles that that industry has used to grow itself, and that I'm thinking we ought to be thinking about from a media standpoint as well.

Mike Blinder

Well, coming up, Todd's gonna unpack how churn, CAC—customer acquisition cost—and customer success could revolutionize your local media business, and why the future of publishing might just look a lot more like software. Stay with us. We'll get to that on the backside of this message.

Announcer

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Mike Blinder

Okay, so, Todd, treat me like I'm an infant, please. What does it mean for a local media company to start thinking like a SaaS business? And give us that elevator pitch, if you don't mind.

Todd Handy

Sure. You bet. For those who haven't spent any time in SaaS, it's probably a great place for us to start. SaaS companies really adopt a recurring revenue, customer lifetime value mindset, instead of something that's transactional—something that's a once-and-done sale. Too often, we do that in media, where we sell a campaign, a three-month campaign, and we're happy with that.

Don't get me wrong—revenue is revenue, and we're happy to have the revenue. But every time an advertiser churns, it's that much harder to win them back. It's also harder to win back others in those same verticals, or folks that they've told about their experience, and so forth. SaaS companies focus on retaining customers through constant value delivery, product evolution, and lifecycle engagement.

Mike Blinder

Well, how would a SaaS-style focus on recurring revenue change local media's approach to just selling ads? And again, how—you said the vertical—I should say this: I sold a million of them, those one-off campaigns, when I used to go into a market and sell those three- or six-month contracts. I mean, how does this really change the paradigm, Todd?

Todd Handy

Sure. I've been as guilty as anyone else out there of selling campaigns that were short-term. Certainly, we would say, "Listen, if you're not gonna do it for at least 90 days, it doesn't make any sense," because you've got to give it some time to get the reach and frequency and everything else we talk about in media.

That certainly is still part of it. But in a media world, what that would do is flip the model from short-term campaign fulfillment to long-term revenue continuity. Instead of focusing on selling any discrete ad units—this 300x600 banner, this SEO campaign or whatever—a SaaS approach really bundles the services into a monthly, hopefully monthly, maybe a quarterly package, and it's tied to client KPIs such as awareness, engagement, leads, or sales.

That's what SaaS is doing. When you buy a platform like Dropbox or Asana, you don't buy it for a month and then stop. You buy it and you use it—you build it into your workflow and how you do your business. We know that's what we need to do with advertising, right?

We shouldn't stop and start advertising. Yes, maybe where I am in Utah, if you're a ski resort, maybe you only advertise six months of the year—I get that. But most advertisers need to be advertising on a regular basis. SaaS is something that, when you buy it, you keep it in place. And then the business on the backend will do a lot to keep you in place, and we can talk more about that.

Mike Blinder

Well, to use that old metaphor, there's a lot of legs on the stool to get to that wonderful sustainable business model for local news publishing. So let's switch from advertising to reader revenue, if I may. And maybe you've been following the reporting we've been doing recently at *E&P*.

Recently, a major INMA report came out about how paywalls are stifling audience growth. Borrell just issued a report where he's calling it the tipping point of local media. One of the things he said in the report is that newspapers are the only legacy media that has been stagnant in digital growth over the past five years, and he's thinking it might be due to the fact that we're the only legacy media that still locks down our audience.

We've also had people spout off now saying, in these very interesting political times, is this the time for local media—that final check on power in a Madisonian democracy—to only hit a small percentage of the audience due to paywalls? Does this SaaS style of thinking help in the subscription model as well—getting a better recurring relationship with our readers?

Todd Handy

So, Mike, I want to be really clear on one thing because most folks out there who know me know I'm much more of a revenue guy than an editorial guy. And so I'm going to speak from my viewpoint, but I certainly don't have the chops and all of that experience.

But yeah, my thought process is this: if we're thinking through the entire customer journey—this is what SaaS companies do—they think through this customer journey from the very beginning all the way through, because one of their focuses is on LTV, customer lifetime value.

So you're thinking from the onboarding emails to the nudges that you get in your software for different usage, or an email you might get for things that you're not taking advantage of in the software, and so forth. The value reinforcement, the community building—everything that can go into preventing churn.

If we come at it from that standpoint—this is not me saying the content and so forth because that's not what I'm good at—but the business model, if we're thinking through that lifetime value from the very beginning until however long we're able to keep them, and then offering tiered plans, things that can align with reader segments—your casuals, your cores, your superfans—or bundling in non-news type products like podcast extras, event access, or local deals, things like that.

The biggest thing that I think media companies need to do—that SaaS companies absolutely do—is invest in data to understand why subscribers are churning, and then build proactive retention campaigns. Let me give you a perfect example.

In the SaaS world, they use a couple of different platforms that are pretty well known: Gainsight and ChurnZero. These are platforms that, when they're tied to customer health scores, help you proactively know what the usage of the software is and the temperature of your customers. So you can proactively deal with them and help them get better usage, better consistency, help them uncover features that they're not using, and so forth. Deal with that proactively instead of when the phone call or email comes in that they want to cancel.

And then just to layer on top of that, the other thing that media absolutely should be looking at—and I've done this in non-SaaS companies as well; it's not just SaaS—is net promoter score, NPS. That's the number many industries are looking at, which is: how likely are your customers to recommend your products or services to someone else?

Mike Blinder

Back in the good old days when I started portland.com in Portland, Maine—I actually registered portland.com, Stay Portland, Dine Portland, Visit Portland—because the *Portland Press Herald* didn't even know what the internet was. That's how I got started in the industry, putting one of the first newspapers online.\

We invented a tool—I worked with our nerd—that actually allowed an advertiser to update a banner. It was like a fixed position, and I would sell it. So they could go on the internet and log into this little bot.

No one did it. I mean, it was hard to get a small business owner to take the time, energy, and effort to do their own work. We had to keep servicing them. But I'm watching these SaaS companies automate self-service—everything. I mean, I never talk to Dropbox.

You see what I'm saying? I mean, I'm doing all the work. I'm doing the heavy lifting. I'm upgrading my plans. I'm the one adding new people.

Is there a chance that a SaaS platform will help us get more automated, self-service revenue if we start thinking more like these companies?

Todd Handy

That's a really great question, and I'll give you actually two different thoughts on that. In the SaaS world, there are two primary models they look at: there's product-led growth and there's sales-led growth. So let me speak to both of those.

Product-led growth is the kind where you find the website, go to the website, see the pricing there, and put in your credit card for a seven-day free trial. Then it starts billing you and everything else. You start the trial, get the email saying, "Hey, here are the features," click here to take a look at a quick 30-second video or whatever. That's all product-led.

These are things that the software itself is doing to help you uncover and use the software differently. And by the way, they've got models that say: if you use this feature, you'll stay longer; if you do it in this amount of time, you'll stay longer, and so forth.

Right? So product-led growth is about making the product be as usable as possible and helping the user adopt it into their workflow and daily life and so forth. Sales-led growth starts from that oftentimes, but let's say this: you or I, as a Dropbox user, we start Dropbox on our own—it's gonna go through its product-led growth. But suddenly we need 20, 50, 100 licenses. That's never gonna happen through product-led growth. That's when sales teams come in. Dropbox has an SMB, a mid-market, and an enterprise team.

They're gonna come in, they're gonna say, "Mike needs 20 licenses," "Todd needs 1,000 licenses," and so they'll have stratified sellers who are gonna come in and work with you to help you get those licenses for your team. Then their customer success team is gonna come in and help the entire organization adopt it. So that's the one side.

The other side I want to speak to, and this is just me—there are many out there who've been very successful at it—we want to think that self-serve platforms are the way to go. Twice now, in two different companies, I've adopted self-serve platforms. And while they do work well at getting advertisers in, unfortunately what I've found is that if the advertiser doesn't have someone guiding them, they're typically going to go for the lowest possible spend they can get, and they don't really know what they're looking for as far as the products.

So I've seen higher churn. I've seen self-serve platforms as a way to get them in, but then you still assign a seller to come in and shepherd them. So it becomes more lead-gen than anything else. Maybe there are others out there who've done really well with it. I'm not saying we shouldn't do it, but we should make sure we're thinking about it the right way.

Mike Blinder

I agree. I agree. Alright, so we're getting near the end of our journey. I have to cut these things to 20 minutes because, if we go longer, for some reason everybody wants to cut it at 20 minutes.

So, um, there's an old joke that I say when I'm talking about our industry and how it stays in neutral. I remember back at a Newspaper Association of America convention—remember when they used to call themselves that, when the conventions were huge? I remember Guy Kawasaki standing up there—this is when he was talking about Apple. He said, "You guys think too much. At Apple, we ship it, then we fix it." That was one of my favorite quotes.

But now we're still in that problem of getting this industry to change. I always say, how many psychiatrists does it take to change a light bulb? The answer is one—but the light bulb has to *want* to change in the first place, if you get my drift.

So what major mindset shift, as you're analyzing what's working out there—you've got your heart in this industry, I know you grew up in it, you love it—what shift do you see media leaders need to make today in order to get into that sustainable mode?

Todd Handy

Okay. So we need to stop seeing ourselves as publishers. We need to stop seeing ourselves as media companies. We need to think of ourselves as a platform. Right?

SaaS platform leaders obsess over customer value, user feedback, their go-to-market motions, and so forth. Newsrooms versus sales is something that has been age-old. We need to not have those silos. We need cross-functional revenue teams.

That's one of the things we were able to do at Deseret Digital Media so well in our dual transformation model—bringing in all parts of the business together to put those models together. Think retention before acquisition. Think long-term value over CPM.

Think renewals before reach. We need to think differently about what we're doing. And you just referenced Guy Kawasaki and Apple—I'm an Apple fanboy. Right? It's the whole "Think Different" campaign that Apple did.

We've got to do things differently than we've done in the past. So every person in the organization should be asking: How are we reducing friction and adding lifetime value?

Mike Blinder

I believe it was Lord Kelvin—William Thomson—who was quoted, I think over a century ago, "If you can't measure it, you can't improve it." And then Peter Drucker worked with that and said, "If you can't measure it, you can't manage it."

You mentioned the initialism KPI. I actually gave a speech at Medill once, years ago, and a professor corrected me. I said something like "KPI" and called it an acronym. He said, "No. An acronym spells a word. That's an initialism." I mean, there's like one person in the audience who knew what "initialism" was anyway.

KPI stands for Key Performance Indicator. I'm a big believer in that. I've trained more sales reps, I've managed teams all over—big and small—and I believed in metrics. Metrics, goals, weekly goals. I used to make them sign it.

Alright. Let's just go back to top-line revenue. You and I are old sales guys. We've been selling media since the dark ages. If you had to put one KPI up in that sales bullpen right now—today—and get those salespeople to watch it, would it be new business development? Would it be churn?

Would it be, I mean, would it be multi-need? Remember the good old days where they—how many times did you throw a banner in? What is that KPI in your mind, sir? And shout it out there to the industry.

Todd Handy

Yep. So there are many we could choose from, but I'm gonna go with NRR—Net Revenue Retention. Okay?

NRR is calculated this way: take your beginning recurring revenue, add in your expansion revenue, subtract your churn revenue and your contraction revenue, divide that by your beginning revenue, and multiply by 100.

Okay? NRR simply is going to do this: say you started at $100,000 of monthly recurring revenue, and you have $20,000 in expansion revenue, but you've lost $10,000 in churn revenue and you've lost $5,000 in contraction. Right?

So: $100,000 + $20,000 – $10,000 – $5,000 = $105,000 ÷ $100,000 × 100 = 105%

That's 5% growth. So 105 NRR—any NRR over 100% means the company is retaining the same revenue—sorry, at 100% they're retaining the same revenue. Above 100% they're gaining more revenue from existing customers through upsells and other expansions than they're losing through churn and contractions.

So take Net Revenue Retention, put that over here. Obviously, you've got new logos that you're chasing, but if your existing advertiser base—or your existing subscriber base on its own, in and of itself—is growing, you already have a business that is doing well. New logos—you've certainly got to work through that. But NRR, for me, is one we should be looking at.

Mike Blinder

Wow. A symphony of initialisms and acronyms in today's episode.

Todd, if anyone wants to argue with you, learn more, challenge you—have you got a decent email address people can remember, or a website up where you're posting your thoughts and messages? How do they get a hold of you, sir?

Todd Handy

Sure. So if you want to go to the website, it's disruptiveimpact.co. And the email address is simply todd@disruptiveimpact.co.

Mike Blinder
Todd Handy, a digital media icon, if I may. I know that makes you feel old. Still active in the industry today, but today a consultant, a fractional executive helping organizations rethink growth using modern SaaS principles.

Todd, appreciate your time. Let's get you back on the show soon.

More importantly—keep up the good fight, sir.

Todd Handy
Thank you.

Mike Blinder
Thanks, Mike.