

Audio Transcript

Episode 286 of <u>"E&P Reports"</u> Vodcast Series with Mike Blinder



Turning a small-town newspaper into a community hub

Four years ago, Max Kabat left Manhattan to reinvent local journalism in the remote West Texas town of Marfa. He didn't just take over a newspaper—he built a café, bar, event space, and community hub to fund it. Now, that bold experiment is not only thriving but inspiring others to rethink what local media can be. We caught up with Kabat to find out how it's working, what's next, and what lessons other publishers can take from the journey.



Before trading Manhattan for Marfa, Texas, Max Kabat led a high-powered brand strategy firm working for global brands like Warby Parker and Virgin. His wife, an award-winning filmmaker and photojournalist, Massey Crowe, had built a career telling powerful stories for outlets like The New York Times and The Atlantic. And in 2019, they must have been smoking something or drinking something because they left all that behind and went to West Texas, buying the 100-year-old Big Bend Sentinel and launching the Sentinel, a café, bar and event space designed to fund and fuel local journalism. Max, we had you on the show exactly four years ago.

Max Kabat:
Oh, cool.
Mike Blinder:
Welcome back. It's good to see you.
Max Kabat:
Good to see you too, Mike. It's been a while. Thanks for, uh, thanks for having me back.
Mike Blinder:
I hope you didn't mind the opening because, you know, it reminds me of when I told my wife we were taking over E&P. She said, what are you drinking? You guys left Manhattan and went to a beautiful spot in the world, Big Bend. Right?

Max Kabat:

Yeah. Yeah. So, um, Big Bend region is out here in Far West Texas. Um, we're on the border. Uh, we're about 80 miles southeast of El Paso. The landmass of the Big Bend is larger than the size of the state of Maryland or the country of Denmark. Pretty uninhabited, but tourism sort of rules the day. It's a really great spot to get out and disappear and think and enjoy.



Well, who knew that the Big Bend Sentinel would be a thriving community-powered media model that's turning lattes into headlines. Yeah. Coming up, Max is gonna join us to share what's working, what's next, and why this bold experiment just may be another great solution for local news. Stick around.

Announcer:

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Mike Blinder:

Alright, Max. Welcome back. In a recent interview, we picked up—and that's why I reached out to get you back on the show—you mentioned that the Sentinel, which is that bar, meeting space, and you house the newspaper, the Big Bend Sentinel, now generates more revenue than the newspaper itself. Could you elaborate on how this diversification has impacted the sustainability of the Big Bend Sentinel?

Max Kabat:

Sure. You know, I think we took over the paper in 2019. July 4th of 2019, we simultaneously opened our doors to the Sentinel and published our first papers. Coming in, we just sort of made the agreement or dealt with the realities of the situation that if we didn't change anything about the model we inherited, it would be sort of a slow roll towards a slow demise. So we needed to diversify revenue streams immediately. And the reason why we said yes was because diversified revenue streams were at the heart of us trying to evolve and continue to thrive instead of just slowly demise. There's this march towards demise, as I was saying. The café opened. The concept was sort of mixed-use retail. It's not revolutionary. It was just evolutionary. I think because of our past experience and our past lives, we knew that leaning into a different idea or a way of making



money—dealing with the realization that local news, memberships, subscriptions, advertising revenue—those two things, you can spin them up and say them in different ways: membership, subscriptions, whatever it is; advertising, advertorials. It's all the same thing. That's just two buckets. We needed to add more buckets to make the thing bigger, badder, stronger, better.

We sort of trade on this concept of community. That's what we thought journalism was always in the business of. It just so happened it was local journalism trading on a physical paper or a digital manifestation on your phone or website. And so we just brought people together instead of yelling at each other on the bottom of an article or on Facebook. What would happen if we actually brought them together? Might that be a revolutionary idea that local journalism could own? So that's what we did.

Mike Blinder:

And obviously increasing community engagement. Do you think this model of combining journalism and hospitality and retail is replicable? Could you see other small towns doing this? Have people called you?

Max Kabat:

Yeah. Yes. Yes. And yes. I mean, when we started six years ago, we were looked at as those crazy folks out in Far West Texas trying to do something different, and it was only bespoke for that market. Six years later, I think people are like, well, maybe there is something to that. So yeah, I've been doing some consulting for community foundations and others, thinking about how to create sustainable journalism in different markets. And I do think it's replicable.

This exact model is bespoke to the area that we're in. We were very realistic about what the economy here is. It's tourism, as I said in your opening. And so we needed to tap into that community, tap into that dollar in a way the newspaper hadn't previously. So what we did was we saw an opportunity in the market, like any business does usually. Is there a way that you can authentically play in that market, authentically fill that need that exists? What do you do? How do you do something that's right for the business that you own and right for the people that you're serving? And for us, that was opening a third space. There was no third space in this town for tourists and locals alike.



Let me ask you this. Your background is in brand strategy. Now you're into brand storytelling. What is this GoodDog? Are you still doing that? And how have you applied storytelling principles to enhance the newspaper's identity and reader loyalty? Is all of this commingled and working together?

Max Kabat:

I think stories are as old as time. We're all trading in stories, right? Since the days of the Bible or pictographs. I think that strategist gets put into a box, but when you tell somebody that you tell stories and they're multifaceted, experiential stories, people maybe lean in a little more. So yeah, it's all about understanding consumer need, what's authentic to you as a business, what's happening in culture, and what your competitor set is doing. That's what we do at GoodDog. We do something called the good idea. We believe that every business has one. We help you articulate it, then pull it through your business. So for us, that was—

Mike Blinder:

Is that a local strategy? Are you working with local businesses with that, or are you doing this globally and just happen to be based in Marfa?

Max Kabat:

With GoodDog? Yeah. So GoodDog's a business that Lisa, my business partner, and I have been working on for almost fifteen years. She was my boss at a larger agency in New York, and we spun out about ten years ago. So that's been going on forever. We have clients from Vancouver to Boston to Austin and everything in between. Those businesses are more about mid-market, \$25 to \$350–\$500 million run rate businesses a year, helping them work through the growth plateaus as they scale. I learned a lot from doing that and applied some of those principles to what we're doing here.



Alright. So let's talk about culture and staffing. You just mentioned you have a small pool to pull from. How do you cultivate a team culture that aligns with your mission across all facets of your business—from making a good cup of coffee to covering a local event or telling that story?

Max Kabat:

That's a really good question. I think, going back to my consulting, you pick up things people do really well throughout your travels. I've tried to apply those principles to having my own business with my wife. Consciously or subconsciously, that's just what I've done. I remember one person in particular—Kevin Rutherford. He helped Nuun, a consumer packaged goods business. We never worked together, but I really value Kevin. I remember having a conversation with him and an investor about building culture, team, leadership. Kevin's been a CEO of a company that exited to Nestlé, I believe. I don't consider myself a leadership guru, but I like to learn and listen and pay attention. We've just built a team that believes in not just the idea, but supporting each other. People are doing different things. They're cooking. They're cleaning. They're barista-ing. They're writing articles. They're running events. But everybody's rowing in the same boat together, creating the flywheel and helping each other do this thing we've built.

Mike Blinder:

Peter Drucker was quoted—people misquote him. They say, "If you can't measure it, you can't manage it," but I think the original was, "If you can't measure it, you can't improve it." So how do you measure your success beyond the bottom line? How do you assess, when you go to bed at night, that all the gears are clicking and you made the right decision moving out to West Texas?

Max Kabat:

I don't know anybody that runs a business who doesn't question themselves daily. But I think we're making the right decisions based on our ideals, consumer feedback in the café and in the paper, in the community. We're trying to do the best we can for the right reasons for the people we're serving and our employees. This isn't the Max and Massey show by any stretch. This is a community-wide effort, and I think the success of our endeavor is predicated on the fact that people have really leaned into what we're doing—as customers and as employees—and everybody believes in the thing.



For those that are tripping across this broadcast on Spotify or whatever podcast platform you prefer, Max is wearing a hat that says, "Print is not dead..." Why are you wearing a hat, Max, that says "Print is not dead"?

Max Kabat:

When you're a strategist, there's a saying: if you're for everybody, you're for nobody. You have to pick a target consumer to right-size your story for. We're for everybody that comes out here, but the truth is not everybody wants to pay for journalism. People think journalism is free. That's what the last twenty-five years have taught us. People might not want to pay \$50–60 for a subscription or a dollar for a paper, but they'll gladly pay for a hat that virtue-signals their values. So we gave people that opportunity. And we sell a fair amount of merchandise that says journalism is alive or print is not dead, and that helps pay the bills.

Mike Blinder:
That hat is for sale in your store?
Max Kabat:
Yes.
Mike Blinder:
What other hats do you have?
Max Kabat:
We have a beautiful poster done by a music poster artist named Mishka Westell, who's based in Austin. She made us a really beautiful poster about the flora and fauna of West Texas, and it says on the bottom, "Journalism is alive." We've turned that into some other elements. People send us pictures of those posters hanging in their offices all across the country. It's pretty cool.



Would you be willing to share some of those images with me so I can pop them on the mapping page?

Mike Blinder:

Please. For those on Spotify or Apple or iHeart, come to editorandpublisher.com/vodcasts and take a look at these great items. Final question, if I may, Max. I know you're busy wearing a million hats. What advice do you give to other entrepreneurs who may be stalled or in neutral? What advice would you offer to local news entrepreneurs seeking to innovate and sustain their operations in today's wacky media landscape?

Max Kabat:

I'd say don't do it alone. If you're really good at one thing, go find a partner that's good at other things. We've sort of taken this whole thing on by ourselves. I don't necessarily recommend doing that. Diversified revenue streams are hard to create. But if you have the right people—there are a lot of people who believe in the entity of community journalism and its importance and understand the symbiotic relationship between local journalism and community health. Don't sit in your office and think, "Woe is me." Think creatively. Talk to people. Think about what your community needs and how you might solve that with something besides the same old, same old.

Mike Blinder:

Max Kabat—on his LinkedIn profile, he says brand fixer at GoodDog and local journalism builder at Big Bend Sentinel. Owner of the Sentinel, "Marfa's Living Room," and publisher of the West Texan Media Group. Max, if someone wants to reach out to you for advice, how can they get in touch?



Max Kabat:

Yeah. Max@thesentinelmarfa.com. Max, M-A-X, at thesentinelmarfa.com. I'm happy to talk to folks. We're doing a bunch of consulting projects on how to do this locally, and even talking to folks internationally. Happy to share and help as I can.

Mike Blinder:

I promised you four years ago on this very broadcast that I was going to bring my wife out to visit you. We have yet to make Big Bend part of our journeys, but we will someday, sir. And I'll look forward to having a cup of coffee at the Sentinel.

Max Kabat:

We look forward to it, Mike. Thanks so much for reaching back out, and congrats on the last four years of success. I hope it's not another four years until we chat again.