



Stop the presses!

Newspapers are struggling.

Can an all-digital strategy be the path to profitability?



About the authors



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Scott is the Media sector lead for KPMG Strategy in the United States and has worked across all segments of media, including film, television, digital media, publishing, advertising, as well business to business media and information services sectors. He specializes in growth strategy, business and operating model strategy, performance improvement, and merger and acquisition (M&A) advisory. Prior to KPMG LLP (KPMG), Scott held leadership roles in corporate development and strategy in both Dow Jones and McGraw-Hill. His experience also includes several years at a strategy consulting firm.



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Read all about it – online

It's the most cliché of newspaper clichés: A harried city editor suddenly learns of breaking news, grabs the phone, and shouts, "Stop the presses!"

While that scene may live on in old movies, it may become increasingly rare in real-life newsrooms. The simple fact is that in the years ahead, most newspapers will have to shift most, if not all, of their publications to digital online editions, in effect, there will be few presses left to stop.

As has been widely reported, newspapers have suffered dramatically from the rise of the Internet. Online, instantly updated content—often for free—has lured many readers away from print, resulting in falling newspaper circulation. Likewise, advertising revenue—the lifeblood of newspapers—has declined, as advertisers take advantage of the more widespread demand for digital ads and spend significantly less on print advertisement. At the same time, local classified ads have been replaced by a myriad of digital forums and services catering to local markets. This trend of ad dollars moving away from print is expected to not only continue but also accelerate.

These economic realities, combined with the relative strength of digital-only publications like BuzzFeed, Vice, and The Huffington Post, suggest that a strategy that embraces online editions is the way forward for newspaper companies.

Moreover, these economic trends have also spurred a wave of newspaper consolidation, with the larger chains acquiring smaller competitors. However, this consolidation has failed to strengthen publishers' profits to any great degree.

Recently, another shift has taken hold of the sector that may be a catalyst for a dramatic transformation of the newspaper industry. In the hopes of spurring their growth, the larger media conglomerates have spun off their newspaper operations as pure-play entities, separating them from their broadcasting and other media operations.

These print spinoffs, as well as other newspaper companies, don't necessarily have the scale or financial resources to pull off a pivot to the new digital model that will be increasingly necessary to survive. The good news is that these spin-offs now exist in a fragmented market that is ripe for further consolidation. By pooling resources and enhancing scale, these newspaper companies may be able to offer new opportunities for investors and gain the ability to prosper in an increasingly digital world.

The rise of the Internet and the decline of print

Less than 20 years ago, no newspaper professional or reader would have ever imagined that print news would be where it is today. But the advent of the Internet, smartphones, and other mobile devices and their growing popularity to become an almost indispensable part of everyday life have dramatically changed the way companies do business. It has unmistakably affected newspaper publishers—and not all of it for the good.

Online content has become the source of news for many readers, especially younger ones. In years past, consumers would have their morning papers delivered to their home or stop by the newsstand on the way to work. Today, many people get their fix of news staring at a tablet or smart phone. In fact, it's rare these days to see a U.S. commuter reading a print newspaper on the train or subway.

Consider these statistics:

- Readers of digital news like to get their content for free. Only 11 percent of U.S. readers paid for online news in 2014, according to a University of Oxford survey. The remaining readers said they'd never pay, or pay only a small amount—\$8 a year on average.¹
- Each month, 8 in 10 Americans read newspapers' digital media.²
- Millennials are 39 percent more likely to read newspapers on a mobile device than other age groups.³
- Half of those who consume content in a digital form during a month do so on a mobile device only, that is, not using desktop or laptop computers.⁴
- A majority of U.S. adults—62 percent get news on social media, and 18 percent do so often.⁵

For print newspapers, these trends have meant a steady decline in paid circulation. Daily paid newspaper circulation has fallen by 24 percent, to 40 million in 2014 from 53 million in 2005.⁶ But the new digital media are doing more than just stealing readers. More important economically, they are pulling away ad revenue.

Over the same 10-year period, newspaper ad revenue has fallen by 60 percent, to \$16.4 billion from \$47.4 billion.⁷ This drop is a significant hit to a newspaper's bottom line—every dollar lost in ad revenue is close to a dollar loss in operating profit. More significantly, these declines have created a wide imbalance between readers' time with the paper and ad dollars spent. Newspapers attracted 8 percent of ad spend, roughly \$15 billion in 2015, but consumers spent only 2.4 percent of their time with print newspapers. If ad spending were to be rebalanced to match readers' time, it would potentially eliminate \$11 billion from the market.⁸

Newspapers have tried to deal with these declines in several ways, so far, these have been mostly easy fixes that have failed to reverse their fortunes.

¹ University of Oxford, Reuters Institute for the Study of Journalism. Digital News Report 2015.

² Quick facts about newspaper media. News Media Alliance.

³ *ibid.*

⁴ *ibid.*

⁵ Pew Research Center, Journalism & Media, News Use Across Social Media Platforms 2016, May 26, 2016.

⁶ State of the News Media, Pew Research Center, June 2016.

⁷ *ibid.*

⁸ eMarketer.

How do readers use news websites?

How popular are newspaper websites? How much time do web visitors spend reading articles posted there?

Pew Research Center looked at online traffic for the top 50 U.S. newspapers by total average circulation that experienced gains or losses from 2014 to 2015 in their average monthly unique visitors and minutes per visit.

The numbers suggest that readers are increasingly using mobile devices to access news sites over computers. However, mobile readers spend less time on the site compared with viewers on desktop computers.

Overall, 33 of those newspapers gained unique visitors, and 43 newspapers showed a gain in mobile traffic. In contrast, 39 newspapers experienced a loss of unique visitors through desktops.

As to minutes per visit, the newspapers were equally split between those that showed an increase and those that showed a loss. Interestingly, 34 newspapers showed a drop in minutes per visit among mobile users, while 32 saw an increase in minutes per visit among desktop users.

As Pew points out, newspapers' web traffic is substantially greater than print circulation. However, getting a clear view into digital readership is not that simple. A reader briefly stopping by to view one article is counted the same as a subscriber who visits daily and spends time reading a number of stories. Says Pew, "The challenge for newspapers, then, is to convert these grazers into loyal readers."

Source: Pew Center Research report.

Because of the large costs to print and deliver newspapers to subscribers, many publishers have cut down on their print frequency, moving to a three-day-a-week or weekend-only publication or have eliminated print entirely. The Pittsburgh Tribune has decided to become a free, digital-only publication, hoping to grow its readership that way (see sidebar, next page).⁹ Other examples include the now all-digital Seattle Post Intelligencer and the Ann Arbor News, which maintains a print edition twice a week.¹⁰

Many others, while holding on to their daily print operations, are also trying to take advantage of the Internet. In an effort to raise revenue through their online presence, these companies have applied paywalls, charging readers to access their content. However, this tactic has had mixed success, with numerous papers retreating from this strategy. Only a select few, those that provide premium and exclusive content, will be able to sustain this model.

In another strategy to raise revenue, some newspapers took advantage of advancing technology and were able to provide rich media advertising featuring video on their sites, a selling point for advertisers and an opportunity to charge a premium rate. Using analytics, they could better target their advertising to readers. So, if a reader has been surfing automotive websites, the newspaper could push car ads to that visitor. However, digital has not changed the economic dynamics to any great degree. In 2015, among newspapers owned by public companies, 75 percent of advertising revenue still came from nondigital sources.¹¹

Additionally, newspapers have been exploring innovative ways to generate alternative revenue streams. These have included assisting advertisers in the creation of ad content, including copy, design, and even video production services. Newspapers have also turned to "native advertising" or sponsored content—essentially topical articles written by the advertiser and published in the news pages. For example, an investment company may provide an article on retirement savings that would run in the newspaper's personal finance section.

Finally, as in other industries under economic pressure, newspapers have also implemented a number of cost-cutting measures. Back-office operations are one target for reductions, but perhaps more significant—and painful—are layoffs in the newsroom. The number of newsroom employees declined by 10 percent in 2014 (latest year for which data

⁹ *Pittsburgh Trib to cease printing Nov. 30*. 90.5 WESA. September 28, 2016.

¹⁰ *Tutorial: The Transition to Digital Journalism*, UC Berkeley Advanced Media Institute.

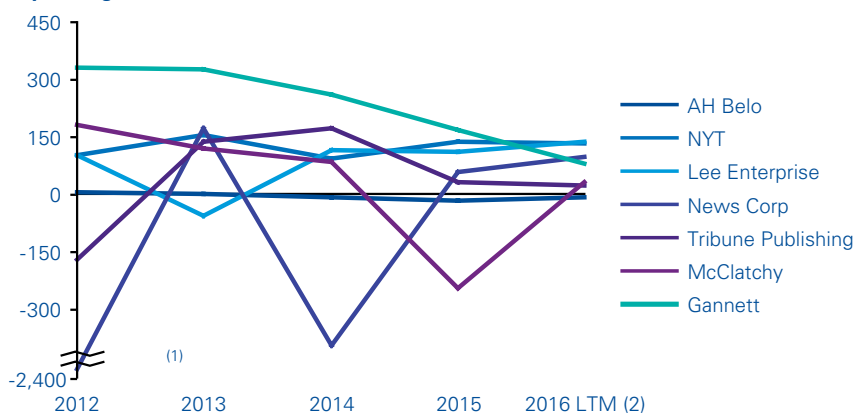
¹¹ Pew Research Center report.

is available), the biggest decline since 2009. Put another way, the newspaper workforce has shrunk by 20,000 positions, or 39 percent, in the past 20 years.¹² As an example, News Corp's Dow Jones unit recently announced it is offering buyouts to Wall Street Journal employees to cut costs.¹³

Despite these efforts, newspapers have only managed to slow the general decline in the industry. Overall, newspaper publishing operating income has not improved despite the implementing of paywalls and cost-cutting initiatives (see graphic below). Recent examples include Freedom Communications, owners of The Orange County Register and other papers, which filed for bankruptcy protection in 2015. Several other papers, like the Oakland Tribune, have closed their doors altogether. –

Newspaper publishing's operating income has not improved amid newspaper bankruptcy filings

Operating income 2012–2016 LTM (United States), \$m



Notes:

(1) News Corp's operating income for 2012 was -\$2377m;

(2) 2016 LTM measures operating income from October 1, 2015 to September 30, 2016

Pittsburgh newspaper goes all digital

In the fall of 2016, The Pittsburgh Tribune Review joined a growing number of newspapers to cease print publication entirely and become a free, digital-only publication.

In announcing the news, Jennifer Bertetto, president and chief executive officer of Trib Total Media, the paper's owner, said, "We hoped that the moves we made last fall would be enough to stabilize our financial position, but it simply wasn't enough. Like other news organizations, our company faces intense financial reality that compelled us to make additional changes. These changes, although difficult, are necessary to ensure our long-term viability. I am incredibly confident in the direction our organization is heading."

Source: Pittsburgh Trib to cease printing Nov. 30. 90.5 WESA. September 28, 2016.

¹² Pew Center Report.

¹³ Wall Street Journal Employees Get Buyouts Offers from Dow Jones. Bloomberg. October 21, 2016.

Case Study: Vice Media

As disruptions continue to transform the business of providing news, information, and entertainment, newspaper publishers will need to consider adding untried avenues to distribute their content.

Vice Media is one startup that has found success in exploiting multiple channels to deliver their unique brand of journalism.

According to Adweek, "Vice has found that magical point of convergence where good journalism, positive cash flow and (most elusive of all) the millennial attention span meet."

Vice was started in 1994 in Montreal by Shane Smith, Gavin McInnes, and Suroosh Alvi. The three took over a government-funded paper called The Voice of Montreal, eventually changing the name to Voice and then Vice. The counter-culture magazine focused on music and street-culture with irreverent and provocative content that appealed to the Gen-X and millennial cohort.

In 1998, the operations relocated to New York where the company moved into online content and expanded into video through partnerships with MTV and CNN.

Today, Vice Media is a platform-spanning news and entertainment group, with a magazine (now published in more than 30 countries), YouTube channels, book imprint, record label, ad agency, and a film and television production arm. The company has also launched a daily evening newscast on HBO.

Vice's edgy and risqué content hasn't scared away big advertisers, which have included Google, Levi's, and Intel. In fact, while other media companies have seen their ad dollars fall, Vice's revenues have risen. Along the way, the company has picked up investments from 21st Century Fox, A&E Networks, and Technology Crossover Ventures.

Founder Smith summed up Vice's winning formula: "We look at it very simply. We want to do three things. We want to make good content, we want to have as many eyeballs as possible see that content, and we want to make money so that we can keep paying to do that content."

Sources:

How Shane Smith Built Vice Into a \$2.5 billion Empire. Adweek, September 29, 2014

Shane Smith. Interview Magazine, April 4, 2013.

Vice Media cranks up news operations. USA Today, December 16, 2013

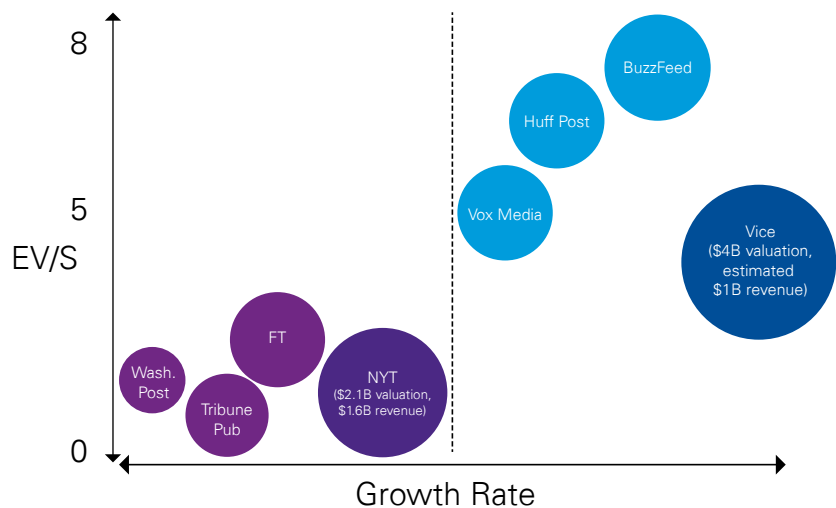
But even as newspapers have been contracting, online publications—like Vox Media, the Huffington Post, and BuzzFeed—have been growing rapidly. The New York Times has revenue of \$1.6 billion (TTM) and an enterprise valuation of \$1.5 billion (as of November 1 2016). In contrast, Vice, an upstart news and entertainment group, was expected to post \$1 billion in revenue in 2015, but has a much larger valuation of \$4 billion.¹⁴

These digital players are taking advantage of the shifting market and consumer trends and attracting a loyal following with strong subscriber bases. They have been successful, in part, by catering to the desires of consumers, who increasingly want shorter news and feature articles, presented in an efficient manner. (see Case study: Vice Media).

The popularity of these sites also suggests that readers' appetite for content remains strong and that more content is perhaps being read today than 10, 20, or 30 years ago. That solid reader interest is a positive for newspaper publishers.

What these trends point to is that digital is the future for most newspapers and that these digital models will need to be ad-supported with free content, a significant change from the print subscription model. Publishing executives know that, but many are still struggling to pivot to that digital future. And the changing landscape of the sector is playing a large role. We will look at those changes next.

Digital newspaper companies have been growing rapidly in the current environment.



Sources: Bloomberg, CNBC, Fortune, Business Insider, The New York Times, Crain's

Bubble size – Company valuation

Left of dashed line – Traditional media companies

Right of dashed line – Disruptive players

EV/S – Enterprise value/sales

Growth Rate – Recent growth and trends

¹⁴ As Vice Moves to TV, It Tries to Keep Brash Voice. New York Times. May 31, 2015.

Newspaper consolidation

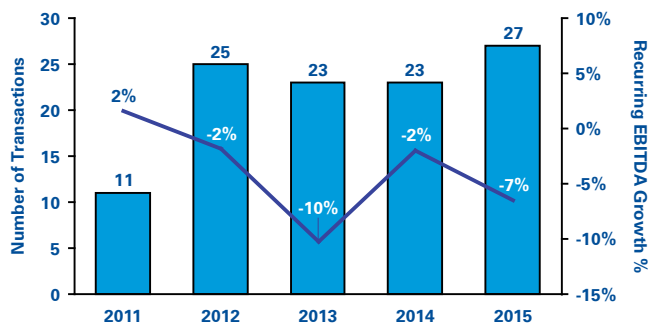
The U.S. newspaper industry has gone through consolidations in the past. Between 1919 and 1949, the number of newspapers fell 14 percent despite a 29 percent increase in the country's population. Many of the remaining papers were then absorbed by chains. The reason for the consolidation was competition: Smaller papers couldn't compete with their counterparts in the city or the chains.¹⁵

Today, the situation is much the same. Since the recession, the number of newspaper transactions and their dollar value have increased substantially. In 2009, there were 16 mergers in the newspaper industry involving 31 dailies, with total value of about \$184 million. In 2015, there were 27, with 70 dailies involved, valued at \$827 million.¹⁶ The result of all that M&A activity? In 2004, the United States had 1,457 daily newspapers. In 2014, that number stood at 1,331, a change of less than 9 percent.¹⁷

Despite the consolidation, profitability hasn't returned for many of the media companies owning newspapers (See graphic below). This situation has led to another industry

Transactions have not helped profitability as newspaper industry earnings before interest, tax, depreciation and amortization (EBITDA) growth has continued to decline

Newspaper Industry: Number of Transactions⁽¹⁾ vs. Recurring EBITDA Growth %⁽²⁾



Source: ⁽¹⁾ Dirks, Van Essen, & Murray; ⁽²⁾ SNL Kagan

trend—one that may presage a way for newspapers to regain traction in the market.¹⁸ Large media companies, the ones that own TV, print, and other types of assets, have begun to spin off their newspaper operations. For example, Tribune split into Tribune Publishing for its newspaper assets and Tribune Media for its broadcast and other assets. Scripps merged with Journal Communications, and then split into JMG for print and Scripps for other media. JMG was then acquired by Gannett. For its part, Gannett, owner of scores of smaller regional newspapers, placed all of its non-newspaper assets into Tegna. And News Corp. kept its print assets and spun off the rest into 21st Century Fox.

Separating out the publishing units of these organizations segregates the print products and keeps their performance separate. As the late David Carr, author of the *The New York Times*' "Media Equation" column, stated, "...print is too much of a drag on earnings, so media companies are dividing back up and print is being kicked to the curb."¹⁹

But as separate companies, these newspaper publishers now have a path forward: By joining forces, these fragmented entities can take the steps to improve investor confidence and regain profitability that weren't practical as part of a large media conglomerate.

¹⁵ *The backstory of Gannett's bid to buy Tribune*. Columbia Journalism Review.

¹⁶ Pew Research Center report.

¹⁷ Editor & Publisher's Newspaper DataBook.

¹⁸ Pew Research Center, Newspaper Association of America, Media Research Center.

¹⁹ *Print Is Down, and Now Out*. The New York Times. August 10, 2014.

"In the course of covering local news and events, reporters and editors gain valuable consumer information about their readers.

Many newspaper publishers have failed to exploit that information, which could be used to segment their readership to help target advertising. Now, their once virtual monopoly of content and advertising delivery to households has been lost.

In contrast, digital content providers have been able to acquire consumer preferences through content delivery and related consumer response methods, enabling them to provide advertisers with alternative venues that are forcing the price of advertising lower, resulting in reduced revenue for the newspapers.

To be successful, newspapers will need to provide content that consumers will be willing to pay for, as well as the related consumer information, at a higher rate, to those advertisers that find their subscriber base desirable."

*— Kenneth Krick, Audit Partner
KPMG Metro New York Media practice*

When the conglomerates held the different kinds of media together, newspapers were often the slower-growth and lower-margin part of the business and starved for investment and resources. Now, the market has become more fragmented, with more stand-alone newspaper companies in existence following these spin-offs—a prime condition for consolidation.

In order to survive, the remaining players need to use the collective industry's reader base to remain relevant. Continued fragmentation leading to subscale investments and scale and the maintenance of a dying print business model will continue to drive margins down. Moreover, the shrinking level of advertising revenue will also favor further consolidation in order for newspaper companies to regain some degree of buyer power in the market.

In short, this fragmented market of pure-play newspaper publishers is ready for deals. And with the continued shrinkage in the newspaper advertising market, the window of opportunity to garner favorable valuation may be closing fast.

This scenario has occurred in other industries, where a once splintered market transformed into a highly consolidated environment with a few major players. For example, the airline industry is dominated by American, Delta, and United.

There is little reason to think the same can't happen within the newspaper sector, although clearly the Federal Communications Commission and other regulatory forces will come into play to keep markets competitive. Consider Gannett's pursuit of Tronc, owner of The Los Angeles Times. Although Gannett ultimately backed out of the acquisition attempt, the move shows that acquisition/consolidation is definitely one of the potential strategic options that newspaper publishers are considering.²⁰

²⁰ Gannett Ends Its Attempt to Buy Chicago Tribune Publishers Tronc. The Wall Street Journal. November 1, 2016.

What newspaper companies need to do

In the new fragmented newspaper market, traditional publishers must make a few key decisions in order to continue growing and operating effectively. Essentially, they have three strategic options:

1. Be a consolidator of their competition
2. Be a seller
3. Remain independent

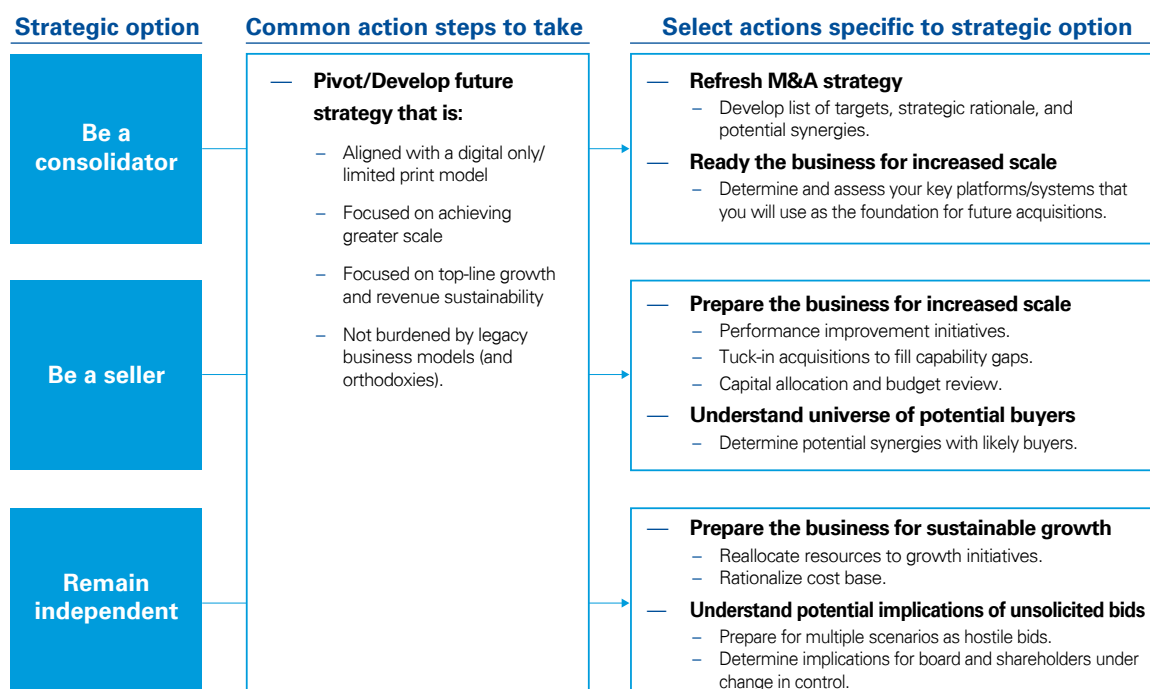
These three options all require publishers to develop a strategy that focuses on:

- Achieving greater scale
- Top-line growth

- Revenue stability
- A digital only or limited print model
- Capturing, writing, and monetizing their real asset—the reader base, and the way those readers interact with and use their content.

Choosing which path will depend on each publisher's unique situation.

While the future is uncertain, the path forward for newspapers includes a few common action steps

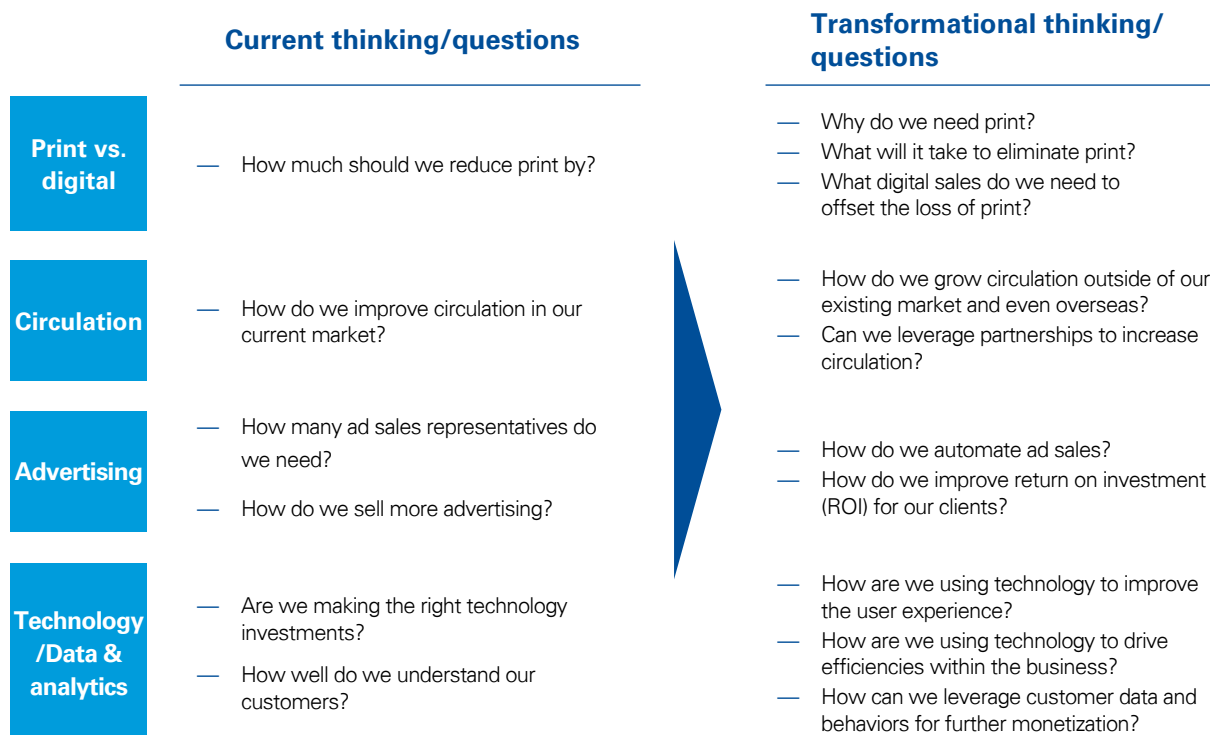


Regardless of the option they take, publishers should consider these steps:

- **Update your business model:** Fundamentally shift from print and higher-priced subscription models to a free, ad-supported model. Look for “out-of-the-box” ways to monetize data (e.g., data syndication) and ad technology partner alignment.
- **Develop a platform strategy:** Seek ways to monetize a larger audience, across multiple channels and with an expanded ecosystem (e.g., e-commerce tie-ins, collaboration with information services companies, etc.).
- **Rethink the overall value stream and operating model:** Break down the overall value stream and operating model of the organization (e.g., newsroom, editorial, product and operations, advertising, customer management, etc.). What is core? What is noncore? What can be expanded and built to become platforms? What can be extended to serve additional monetization opportunities or a new/targeted set of customers? For instance:
 - ✓ **Product and operations:** Decide between a digital-only vs. a digital/mobile-first mentality. Within that, mobile becomes the primary delivery channel and short-form video becomes a key content format.

- ✓ **Editorial:** Create more short-form content that is made for digital and mobile consumption. Increase the use of automation for article writing, especially for items like sports stories and corporate earnings reports.²¹ Fill out gaps in coverage by using wire services and other licensed content.
- ✓ **Channels:** Become a force on social media platforms by regularly and distinctively posting content and featuring articles on Facebook, Snapchat, Twitter, etc.
- ✓ **Ad sales and inventory:** Deploy targeted ads in which individuals are sold (not demographics) or pricing is cost per action, and provide robust reporting of ad effectiveness. Aim for higher percentage of programmatic ad sales as a way to employ a smaller direct sales force.
- ✓ **Native advertising:** Develop more robust capabilities in developing content, such as “advertorials,” (across content types and platforms) as another service to entice advertisers.
- ✓ **Technology:** Create a centralized function for the development of customer-facing applications and other technology that can be deployed across the entire organization with little or no modifications (vs. per paper or per region).

Current perspectives need to change in order to affect real business transformation



²¹ Automation in the Newsroom, Nieman Reports, September 1, 2015.

- **Rebalance your investment portfolio:** Baseline current investment profile (keep-it-running vs. make-it-better vs. future bets) and ROI. Rebalance investments to align with new business and operating models and optimize the use of limited capital available for investments in future capabilities. Institute better discipline in tracking and managing ROI.

Newspapers are watching every penny and have been unable to make the investment necessary to transform their business and operating models using the steps outlined above. Transactions arising from the fragmented newspaper market may provide the scale and investment necessary to help them execute these steps successfully and “pivot” to more fully embraced digital formats to not only survive but also flourish, as consumers increasingly get their news online or on their mobile devices.

This transformative thinking can also help create new corporate strategies. As we have seen with Vice Media, newspaper publishers will also need to think outside the box and expand beyond just delivering the news.

A number of forward-thinking newspaper publishers have already started down that path. Consider the case of The Washington Post. Following its decision in 2014 to become a seller, the newspaper was purchased by Amazon founder Jeff Bezos for \$250 million. Since the change of ownership, the paper has completely altered its strategic approach, choosing to focus on its burgeoning digital readership, resulting in a 145 percent growth in digital subscriptions since 2014 (see graphic below).

Meanwhile, some newspapers have created niche websites, while others have found new revenue from digital subscribers, sponsored events, newsletters, and acquisitions of digital start-ups that have found an audience.²² For example, Gannett has acquired Spirited Media, a website that publishes local news and hosts events in the Philadelphia area. The Boston Globe has a new start-ups called Stat, geared to readers interested in health, medicine, and sciences. It publishes newsletters and is considering hosting events and charging for content.²³ To boost sagging print revenue, The New York Times has launched a meal delivery kit in partnership with a start-up called Chef’d. Subscribers will have delivered to their doors portioned ingredients to create a meal from one of the newspaper’s archive of 17,000 recipes.²⁴

Case Study: The Washington Post has successfully transformed itself by making aggressive changes to its business and operating model

How the Washington Post grew digital subscriptions by 145 percent^(1, 2)

Circulation	— Lowered its paywall to give free access to subscribers of more than 100 local papers — Leveraged social media by publishing all of its stories to Facebook Instant Articles — Offered free, six-month subscriptions to Amazon Prime members — Expanded overseas by adding a London sales team
Content	— Expanded opinion and political coverage — Launched a new blogs Storyline, which allows for storytelling in different formats and over days and months
Customer loyalty	— Leveraged over 50 types of e-mail newsletters to increase traffic to the site by 129 percent in the past year — Partnered with The New York Times and Mozilla to create an online community commenting system that would allow journalists to better interact directly with readers
User experience/technology	— Reduced page load time by 85 percent — Improved the article experience by focusing on cleaner article pages with sharing features and better resolution photo galleries — Mined and studied reader behavior to determine what articles to offer next

Sources: ⁽¹⁾comScore Multi-Platform US, November 2015; ⁽²⁾ Digiday

²² *Newspapers Gobble up One Another to Survive Digital Apocalypse*. Bloomberg. March 29, 2016.

²³ Ibid.

²⁴ “The New York Times’s New Plan to Boost Revenue: Meal-Delivery Kits,” Vanity Fair, May 5, 2016.



Final thoughts

Times have been tough for newspapers over the past 10 years. The next 10 years may be even tougher. While some say the decline may have plateaued, we expect it to continue. The harsh reality is that print ad revenue and circulation won't come back.

Most say that print will exist in the future. But whether print can be primary revenue stream for newspapers is coming into question.

Newspapers will need to pivot and employ a fresh approach to the way they operate. Future business may be a significant departure from today's models, and except for a very few that offer premium content, most every newspaper will need to go to a digital-only model.

The increasing fragmentation of the newspaper sector will open up opportunities for consolidation that will provide these companies with scale and investment to explore these new business models that lead to new growth in profits and value.

It will be a significant change for a proud industry that has traditionally revered newsprint and ink, but it may be the only way to survive, as consumers increasingly want their news and entertainment in digital form.

So while it may not sound as dramatic, "refresh the home page" may be the new cry from harried city editors in the years ahead.



How KPMG Strategy can help

KPMG's Strategy consultants are helping media companies develop deep insights into the evolution of the newspaper market, lay out scenario-based planning concepts, and determine how to compete and win in a digital world, away from traditional print channels. KPMG is helping clients analyze the digital growth opportunities, competitive intensity, degree of adjacency, and long-term potential for competitive advantage and profits.

KPMG understands each client is unique. We develop customized solutions, with wide-ranging capabilities integrated from strategy through execution. This includes a focus on operational transformation, defining the optimal operational and technological infrastructure for a digital approach, as well as organizational structure and governance, and people and culture requirements. The right operating model is critical to the cost-effective delivery of propositions and the management of clients through the core business processes.

As the print world evolves, mergers and acquisitions continue to be a tactic leveraged by media companies looking to achieve competitive advantage. KPMG is helping clients identify and evaluate potential growth opportunities through M&A and evaluate potentially attractive targets that align with corporate strategies and objectives. This is best done in conjunction with traditional internal changes that positively pivot the company from within.

Learn more at kpmg.com/us/strategy

KPMG's 9 Levers of Value Approach

KPMG's distinct approach to strategy development begins with helping leadership articulate its three to five-year financial and performance targets, with considerations including growth, cost efficiency, profitability, ROI, and risk appetite, as well how they may affect the business and operating models.

Unburdened by legacy businesses, processes, or technology, our methodology is flexible and practical: It can be applied in whole or in part to support clients throughout the transformation journey.

Progressive companies in the media industry are already taking these steps to prepare for the opportunities and risks the print news market entails. Are you?





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