

# 6

## Recommendations

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### *IN A NUTSHELL*

Comprehensive interventions are needed to overcome problems in printing, distribution, circulation and marketing. This chapter finalises the arguments for the S-Curve, a sector Forum, and improved relationships with the media industry. To overcome historical disadvantages, human resource development is fundamental. The chapter explores iPop & GAPS as instruments, and suggests budgetary changes as the way forward.

***The Report has undoubtedly taken great liberties by insisting that many of the solutions to problems in specific functional areas must span the micro, meso and macro dimensions of economic behaviour.***

**I**T REMAINS to underline the fundamental ideas in this Report. Many suggestions have been made in the course of the Report itself. While we do not think everything will meet with the approval of everyone in the grassroots sector, we do hope that publishers and the MDDA will give serious consideration to the broad proposals and to the particulars that we have spelt out.

This chapter is organised under the broad heading of communication, which encompasses business analysis and consultation, sector interactions, synergies with the mainstream, training functions, and information about services. This leads to the the discussion the MDDA needs to have about its own budget allocations. We maintain that human resource development must be seen as the foundation for all progress in the sector, particularly to master the technical and organisational skills with which this Report deals. Beyond the single enterprise, channels are needed to facilitate the flow of work and trading. We outline the proposed Internet Portal for the grassroots Press (iPop) and the General Agency for Publishing Services (GAPS). Finally we examine what the MDDA Act says about the Agency's funding priorities, which do in fact cover the actions recommended here.

## **Communication**

Better communication is necessary all round. Business analysis and consultation with the publishers go hand in hand. A sector forum is vital. Improved relationships with mainstream publishers must be sought.

## **S-Curve and Enablement**

Grassroots publishers should have the life-cycle model explained and made available for discussion. It establishes a way to talk about the enterprise as it evolves and grows, or runs into difficulties; publishers need to know why support is given or withheld, and how it is tailored to the generic needs of the five phases of business development from start-up to sustainability. Grassroots publications have weaknesses that are the product of past practices and current shortcomings: they are what they are because of where they have come from and how they are put together by enterprising community journalists. Their strengths, as well as their weaknesses, should be acknowledged.

### **Primary and secondary responsibility**

Case studies and interviews quoted in the previous two chapters show that successful grassroots publishers combine innovation with efficient management to overcome problems in the crucial operational areas of printing, distribution, circulation and marketing. But on the whole, the sector is in trouble.

We adopted the market development approach because it unites the twin themes of (primary) entrepreneurial responsibility and (secondary) systemic support. The first and final responsibility for the success of any venture in publishing lies with the publisher and no-one else. Entrepreneurship is the lifeblood of the market system to which, whether they wish it or not, most publications are subject. Enablement of the sector by means of market interventions means to correct the historical and structural distortions that make it difficult for any single venture to survive and grow.

In earlier chapters we dealt with issues of finance and credit extension, logistics and awareness building as necessary conditions for the development of the sector. But underlying it all is the need to cultivate human resources and be realistic about the prospects of success and failure. Many of the business trials and tribulations described in this Report are fairly universal. As our S-Curve model implies, and as the American magazine *Business 2.0* has said:

*Advisors can afford to be frank about the lifestyle model because it explains both why support is given or withheld, and what kind of support is most appropriate in the circumstances.*

***The honeypot syndrome – the promise that funding will be forthcoming for the unemployed and the desperate – is no basis on which to build a viable sector.***

The general rule in the investment community is that only about a third of all startups ever turn a profit. Another third limp along at a break-even level, and the rest end in failure. Top among the reasons young companies fail are problems such as incorrect market focus and misguided executive leadership.<sup>1</sup>

If this is true, the MDDA should not be throwing away money on hopeless cases or seriously flawed proposals. The honeypot syndrome – the promise that funding will be forthcoming for the unemployed and the desperate – is no basis on which to build a viable sector. The obvious thing to do is pre-empt entrepreneurial collapses by providing adequate training in advance, mentoring on site, monitoring progress, and taking corrective action as soon as necessary. This is going to place great demands on the MDDA. In and of itself, the Agency may have some, but not all, of the competencies needed for analysis and the provision of support.

### **The ‘obvious’ steps**

The first obvious conclusion is that the S-Curve should be laid on the table as a starting point for the discussion but need not be a binding formula.

The second obvious thing is that the Agency should develop a complete training, mentoring and advice system, complete with human resources and properly devised materials.

This is what we meant when we said that more budget should be allocated to building infrastructure and less to one-off interventions in the sector.

It may now seem obvious that these steps need to be taken, but arriving at this point has involved months of thought and inquiry. We are conscious that the Report does not, and cannot, present a completely detailed step-by-step plan of how to proceed. Much will depend on the debate that is bound to follow its delivery.

## Convening the NCPF

One way to pursue this debate is to convene sector representatives for a series of discussions about sector identity and goals. This was suggested at the May 2006 Roundtable, and needs to be actioned as soon as possible. From the start, the definition of the sector has proved problematic, and it is a fact that no “sector chamber” that has the support of all players currently exists to give voice to sector issues.

### AIP position

The Association of Independent Publishers (AIP) is doing a fine job of representing the publishers, mostly experienced, who gathered to defend their interests against the corporate press. The AIP has gone over to the attack and has simultaneously developed a thoroughgoing set of proposals for the sector, on which we have relied quite heavily. Nobody knows the business better than they do; we acknowledge that and urge the MDDA to work closely with the AIP in planning the way forward. This is a form of industry alliance and does not mean that either party is captive or that they work as one.

### All elements

A National Community Publishers Forum (NCPF), corresponding to the National Community Radio Forum (NCRF, which would have a place at the table) is truly needed to promote sector-wide understanding and agreements over means and ends. All subsectors of the grassroots need to be there: the small independents whether for-profit or not; municipal and state papers; civics, labour and student mouthpieces. It may at first be a circus with little apparent direction but ultimately the imperatives of education, capacity building, finance, and research are bound to bring about order and purpose. Useful ideas and combined action should emerge from the process.

***It is a fact that no ‘sector chamber’ currently exists to give voice to the needs and views of all stakeholders in the sector.***

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print sectors.**

### **Practical outcomes**

The resources of the sector can be aggregated with the MDDA playing the role of energiser. This can and should lead to cooperative outcomes in –

- **PRINTING:** Joining forces to solve printing issues: supporting a GAPS clearing house for printing procurements; exercising the collective muscle of the sector to gain economies of scale in buying paper and inks; obtaining better prices and terms of credit; forming printing press hubs; empowering emergent printers; and bolstering the position of individual publishers when dealing with printing houses.
- **DISTRIBUTION:** Exploiting distribution channels that already exist and may be shared; exploring possibilities for logistical and transport co-operatives in regions or local areas; setting up points of sale on agreed rotational basis and conducting research around them; and merchandising the grassroots press as a brand to gain visibility for the whole sector.
- **CIRCULATION:** Agreeing on principles for circulation audits including print orders and returns; conducting distribution research and reader surveys; maintaining a national database of circulation and reader statistics on iPop; calling for a Circulation Ombudsman to hear complaints about data and check the claims of all print sectors.
- **MARKETING:** Gaining recognition and representation of the sector at media industry level, with agencies, the government, and external donors; networking across the sector to unite perceptions and bring about interactions; supporting the iPop system and especially syndications of national and regional advertising and news copy sales;
- **FINANCE, TRAINING, MANAGEMENT & EMPOWERMENT:** crosscutting all of the above, the benefits of aggregation will be felt in relationships with financiers, universities, SMME development agencies, and the media industry in empowerment sphere. Prominence gained for the sector through iPop and GAPS will certainly enhance its negotiating power.

## Media industry protocols

MDDA needs to seek partners in the process of sector advancement, and the first stop is the rest of the media industry: mainstream press groups, broadcasters, the marketing and advertising companies, and government communication services. Synergies sought at this macro level will play out at the sectoral and enterprise level as grassroots publishers reap the benefits of better relationships.

The country's history has left deep and lasting scars on the media industry which has still to confront the legacy of racial capitalism and enact its own Empowerment Charter. The MDDA has stepped into the gap but it is too much to expect the Agency to be the catalyst for transformation of the entire media industry: at best it can be an energiser in its own sphere of community media.

What is certainly needed, and what the MDDA can accomplish by tapping into the media contacts that it has by virtue of its major public-private partnership composition, is a set of protocols to govern relationships within the media industry and between the bigger players and the smaller ones. Naked predatory behaviour must be stopped; as must the nasty commentary coming from grassroots ranks alleging that big business lacks bona fides.

### Contrasting perspectives

For one thing, both sides have yet to acknowledge that one of the functions of small business in the macro economy is to recruit and train people that bigger companies can later hire. Put baldly like that, the assertion will probably offend small publishers; but it is true, and if an understanding of this point can be reached, it will open up new vistas in training, staff exchanges, and fruitful collaboration. This is instead of the current situation of open warfare in which the grassroots have few weapons on their side.

***A set of voluntary, ethical protocols is needed to govern relationships between the bigger publishing companies and the smaller ones.***

***The managements of corporate commercial community newspapers that we spoke to did not allege anything against grassroots publishers, except for regarding them as amateurs.***

Small publishers are exceptionally embittered by what they perceive as underhand, conniving, anti-competitive behaviour by the corporate community press publishers. Yet it is interesting that if one approaches the managements of corporate commercial community newspapers for their views on the grassroots press, they do not allege anything against grassroots publishers – except perhaps that many of them are deemed amateurs.

To ascertain their perspectives we spoke to some managing editors in mainstream publishing houses the Independent group, Media24 and Caxton. They were upbeat about prospects for the sector and did not dismiss the grassroots press as irrelevant. Instead these papers are focused on business imperatives. David Hill, the editor of Cape Community Newspapers (part of Independent Newspapers), had this to say:

Our papers appeal to advertisers because we saturate the market – delivering door-to-door more than 560 000 copies a week, to more than 1.3 million readers. There is no waste: advertisers can choose a particular geographical area. We deliver readers to advertisers because we focus on neighbourhood news and our reporters live in the areas they report on<sup>2</sup>.

Hill is overall editor of 14 papers, ranging from upper end of the market LSMs 9 and 10 (for example the Constantiaberg Bulletin and Southern Suburbs Tatler) to the lower end (with Plainsman, Athlone News, and Vukani). The fact that these corporate community papers are able to identify markets in regions, towns, cities, with their associated cultural groupings, LSM levels and age cohorts is what makes them attractive to advertisers who want precise targeting.

New titles are being launched all the time as these groups expand their traditional knock-n-drop suburban freebies into townships and peri-urban areas. In July 2005, for instance, Caxton launched two new titles in Soweto as part of an aggressive drive to capture the emerging township and inner-

city media markets. This is all legitimate business and there is absolutely no justification for attempting to keep the corporate press off the community turf. The turf does not “belong” to little publishers who may have got there first.

### **Voluntary and punitive methods**

The role of small business is to bring new talent, ideas and ventures into being – making them productive for the economy. They should not be ruthlessly eliminated; it would be counterproductive anyway. Furthermore, the role of the MDDA as a catalyst for SMME development in the media industry would be made redundant if all it did was fund businesses only to have them bought up and merged into the bigger companies. The Agency’s regulations forbid it from funding projects owned by corporate media or the State, but this says nothing about the projects changing hands afterwards. The MDDA cannot in all conscience allow takeovers to happen on a significant scale, anyway is obliged by law to promote projects for historically disadvantaged communities and persons that are not adequately served by the media.

We have toyed with the idea (suggested by a grassroots publisher) that punitive measures could be used by the MDDA to discourage mergers and acquisitions. One could, for instance, insist that any monies provided for in the way of finance, facilities, training and mentoring has strings attached. If the publication is taken over by, or the staff who benefited from the funding go over to, mainstream ranks, then the money must be repaid, with interest. This could apply to, say, any period of three years following the funding.

The punitive approach might discourage corporate predators, but then again it might not – and on reflection it is a bad idea. While the corporate press could no doubt afford the cost, it would mean that all the MDDA’s efforts to broaden media diversity have come to nought. It would probably push the corporate big boys into a frame of mind in which it would seem better to force the grassroots

***The role of small business is to bring new talent, ideas and ventures into being – making these businesses productive for the whole economy – and they should not be ruthlessly eliminated.***

SEVERAL times in this Report we have mentioned the need for closer liaison between the MDDA and other development agencies and major interests in the private sector. One area in which liaison can and must be made to work for the grassroots is in bridging the digital divide. While possible sponsorships of network hardware and software are most likely to come from major international companies like Microsoft or IBM, government's communications system is in a position to provide editorial content, advertising, and advisory services.

The difficulty lies in bringing this about – actually building the bridge across the existing digital divide that separates grassroots publishers from the information highway. Firstly, of course, we say that iPop should be brought into being as a direct channel to and from publishers. Then the MDDA needs to engage in a round of pro-active talks aimed at creating content and ensuring that the net does connect the sector to the market framework.

Local authorities and all government agencies and departments should be urged to adopt a pro-community media approach to digital communications. A precedent exists in the form of an Internet news service run by Bua-News, under the GCIS, supplying news to the community media.

We researched international examples of how to engage government in independent grassroots press/Internet connectivity and market enablement.

## Mobilising public and private support to build networks

John Hayes, director of the UK's Improvement and Development Agency for local government (IDeA), reports that according to a recent study of 78 local authorities in Britain commissioned by the IDeA:

most e-government services fail to reach socially excluded groups. These groups range from low-income earners who do not have the financial means to access the internet, to those who have physical disabilities or learning difficulties and cannot use online technology unaided. Ironically, because of mobility and literacy issues, and the need to access social services in a convenient manner, it is often these socially excluded groups who stand to benefit the most from digital transformation of local government services.<sup>1</sup>

The agency uses experienced councillors and senior officers – known as peers – who support and challenge councils to improve upon performance. They share good practice in regional local government networks, and the best ideas are put on the IDeA Knowledge website.

The UK example goes to show that the problem of the digital divide is by no means confined to South Africa or developing countries, and government can be mobilised to do something.

On the sectoral level, the MDDA should explore ways of improving digital access by consulting the AIP, NGO coalitions and the community radio sector (all, hopefully, represented in the National Community Publishers Forum). More broadly, SANEF should be asked for its support, and organisations like the Open Society Foundation brought onboard to motivate for connectivity to advance press freedom.

Once again, we found stimulating ideas internationally. The “open air” initiative led by economics and sociology academics in the United States, has sought to co-ordinate advocacy on behalf of street vendors and street markets via the Internet.<sup>2</sup> The advocacy site, [www.openair.org](http://www.openair.org), allows vendors to make direct contact with consultants who can help them to open up new markets or resolve licensing and other problems with old ones. The authors say that street vendors are “under assault all over the world” by shop owners in alliance with local authorities who want to see vendors cleared off the streets because they allegedly threaten order and interfere with formal retail businesses.

The value of this model is that it demonstrates that small, underresourced enterprises can effectively use the Internet to enter the market – even if many of the enterprises still lack connectivity. The authors write:

As the price of computers drops, telephone access expands, and non-computer Internet devices proliferate, access to the Internet will be more common. More poor people will have access to the Internet or will know someone who does have it. This will enable our website to reach more people and for more people to reach us, strengthening its function as advocate, information repository, and a central forum for this sector. Our goal is not to be an information monopolist but to encourage others to get more involved with this sector and to engage in cooperative information exchange.

The aggregation-synergies principles articulated in our Report could hardly have been better expressed.

The installation of countrywide networks to serve grassroots publishers is entirely possible, given the goal and the will.

<sup>1</sup> Hayes, John - Overcoming the Digital Divide, IDeA Knowledge website ‘e-Gov Monitor’ 3 October 2005. <http://www.idea-knowledge.gov.uk/idk/core/page.do?pageld=1136077>

<sup>2</sup> Balkin, Steve & Morales, Alfonso – Linking Street Vendors to the Internet. 2000. <http://www.openair.org/pub/IJSSP/balkinmorales.htm>

***High printing costs, shoddy distribution, lack of audit figures and the fact that the grassroots is below the radar of the advertising industry all mean simply this: the sector has very little going for it.***

publications to close down rather than pay back money. In other words, it could accentuate the pressures already being placed on these small media, and really put them out of business once and for all.

Instead, a voluntary ethic – a moratorium on deliberate buy-outs and poaching – should come into effect. In consultation with its own constituency and the mainstream, the MDDA has to strike a balance between free market principles and the protection of SMMEs in order to grow the economy. Big publishers and small alike need to be drawn into an ethical net in which mutual respect rather than hostility governs relationships.

The Achilles heel of the small publishers is precisely the functions this Report covers. High printing costs, shoddy distribution, lack of audit figures and the fact that the grassroots is below the radar of the advertising industry all mean simply this: the sector has very little going for it, important as it is to the economy, and even the most promising small businesses could fail as they tire of the unequal struggle. The mainstream can, must, see it as enlightened self-interest to help them develop, so that the whole industry develops. We outline one key opportunity for co-operation – internships for university trainees – in a section below.

## Human resources

Human resource development is the foundation of everything else. Although training, mentoring and advice are nominally distinct functions, and do take different forms, they often blur into each other – as when a trainer on a course makes direct suggestions about how a publisher should steer his enterprise to keep it off the rocks. Mentoring can involve the use of formal course materials as a supplement to the mentor getting things done alongside staff in the workplace. And advice given impartially may begin to shade off into grooming the talent in an enterprise. We do not make any absolute distinctions below, though the recommendations are specific.

### Mentoring across the spectrum

Although it might seem that mentoring is something experienced people do for newcomers, this is not necessarily always the case. Mentoring can stretch across the S-Curve from start-ups to fully sustainables. There is always something that even the seasoned publisher can learn from other specialists. The AIP's Census 2006 report drew attention to fairly high level expectations:

Emergent or smaller grassroots publishers need more than just tools or academic training – they often need to consult more experienced publishers to determine the most sustainable ways to overcome challenges or take advantage of opportunities. And, after consulting the experts, publishers say they then need mechanisms to create commercial alliances or syndicates to take advantage of opportunities, or that use scales of economy to head off threats, negotiate better “bulk” deals, or cut production costs.

***Publishers say they need mechanisms to create commercial alliances or syndicates to take advantage of opportunities, head off threats, and negotiate for better deals.***

***Publishers should not be left to handle their printing problems alone but helped to make better informed decisions and use their limited cash resources to good effect.***

This is innovative thinking. It reflects a comprehensive grasp of both the obstacles to and the prospects for grassroots press development. In the Introduction we referred to the way that new media technologies, combined with audience fragmentation, are opening up new fields of endeavour into which nimble, small media enterprises can make an entry. Many of these technologies have radically reduced the costs associated with launching a venture.

In cases where a later-phase publisher comes to the MDDA asking for funding for this or that special programme, it is questionable whether the proposed schemes are ever sufficiently explored by the MDDA before being funded and embarked upon. There is, anyway, plenty of evidence that too little thought is being given to continuity in such programmes. Once again, the MDDA finds itself on its reactive back foot, instead of being the guiding authority to consult, coach, and bring about fruitful outcomes.

### **Printing example**

In human resource development it is often difficult to separate basic from advanced inputs. Take, for instance, our suggestion, made in Chapter 4 on printing, that publishers should receive help drawing up the specifications for print jobs and also be assisted when signing contracts.

Our interviews revealed that while the publishers often sought competitive quotes, they did not know how to judge the estimates that came in. Specs on paper grammage and quality, inking and colours, run-on costs, and penalties for late submission can all vary greatly. The cheapest quote is not necessarily the best. The nature of the contracts, drawn up by printers and left unamended, often leaves small publishers at a serious disadvantage when disputes arise.

Under South African case law, the caveat subscriptor<sup>3</sup> doctrine literally means “signer beware” and implies that the signer of a contract is taken to have read and accepted all the terms and conditions, by virtue of having signed. An adverse court judgement based on a contract that the publisher disputes but that he or she signed can blacken the individual’s credit record.

Most small publishers admit their level of legal competence is low but help may be hard to find and expensive. This is especially so amongst start-ups who come to the publishing game with a passion for community coverage but lacking in business experience. It can be surmised that those who have little formal background in business may not appreciate what sound advice can do for them – if they are prepared to listen and act on it.

A SA National Editors Forum (SANEF) study of the press<sup>4</sup> found that first-line news managers in mainstream media did appreciate the need for sound financial management. This they understood to mean keeping accurate and complete financial documentation, and using financial information to plan activities and when taking decisions. No such study has been done of small publishers and their staffs, but in their case where would they turn for advice? The small publishers need recourse to advisors who understand where they are coming from.

All of this implies that publishers should not be left to handle their printing problems alone but do need a clearing house and advisory services to help them make better informed decisions and use their limited cash resources to good effect. It does not imply that the panacea for all printing problems would be for the MDDA to acquire its own press. That would only bring the problems directly to its own door and entangle the MDDA in the very complexities it should be seeking to sort out through market development.

***To give sound and relevant advice, business advisors need to know and understand where grassroots publishers are coming from.***

***The widespread lack of competencies in grassroots publishing comes down to not knowing how to execute tasks that media professionals handle as a matter of course.***

### **Marketing litmus tests**

Another area in which guidance is clearly needed is marketing. We consistently found that publishers, often coming from a journalistic background, were frustrated by their inability to design and manage marketing campaigns. In some cases, this related to failures with advertising: either the publishers had little success themselves, or they could not motivate and direct sales staff to get out there and sell well. In other cases, marketing breakdowns were related to poorly organised street promotions, bad public response to events on which the paper had staked its reputation, or being worsted in the marketplace by a more professional competitor with seemingly better ideas and more resources. The widespread lack of competencies in grassroots publishing comes down to not knowing how to execute tasks that media professionals handle as a matter of course.

Every marketing campaign needs at least four planning documents in place, along with field research to back them up and effective management to carry them into effect. Whatever these documents are called, they lay out the strategy for the marketing campaign. They give the campaign clear objectives, set out the material and human resources needed, establish budgets and a time frame, identify marketing targets, explain what methods will be used to reach those targets, and build in feedback and correction mechanisms. For the grassroots press we think the documents would be:

- *Marketing means and ends* – campaign goals and requirements;
- *Market scan* – research and assessment of the marketplace;
- *Campaign plan* – the tangible set of actions to be carried out;
- *Results reports* – market feedback and revision of the plans.

Each documents is made up of several elements which together spell out a marketing plan. It is important to write down what is being said and planned, because the discipline of thinking out and formulating the documents will sharpen performance. But how are inexperienced publishers to know whether their planning and execution of a campaign is properly aimed, detailed and practical enough to get them where they want to go?

Publishers are prone to blame “the system” as much as they blame themselves – in other words, they recognise some of their own shortcomings but also find excuses in what they see as a biased economic climate dominated by big interests. There is truth in this perception but it does not remove the need to put right what can be put right on the doorstep of the enterprise. Complaints are by no means confined to start-ups but include publishers in business for years.

### **Theory and practice**

Training and mentoring will go some way towards correcting faulty planning, poor methods and self-serving perceptions. There are many things to be said about defective management in the cases we studied, but one theme that ran through everything was that publishers were generally tired of training that did not address their problems directly. Several told us that they would not attend formal courses, except for short morning seminars, because they did not have the time to be drawn away from their struggling enterprises and they were not sure, anyway, what they would learn that might be of use to them. Comments included:

Even if the course is fully paid, we can't afford the time in another way – every hour out of the office is an hour lost.

I am gatvol of being told the right way to do things: I do things the way that I must when there is no money and no-one to help you.

***Grassroots publishers are prone to blame “the system” as much as they blame themselves, and complaints are not confined to the start-ups.***

***When training is required, an effort should be made to deliver it in a way that does not disrupt production by taking staff away from their duties.***

University graduates tell you about the ideal world but in the real world things are very different. I know more than they do.

The preference among publishers was for executive-level mentoring with an acknowledged expert coming into the office to examine the situation and make concrete contributions. Staff, on the other hand, often said to us that they wanted more training and were keen to go on courses.

The difference, we think, reflects the perspectives of owner-entrepreneurs as risk-takers on the one hand, versus employees or more junior members of the collective with a view to building their careers on the other. Both perspectives are valid and should be accommodated. When training is required, an effort should be made to deliver it in a way that does not disrupt production by taking staff away from their duties.

### **Training criticisms**

Training cannot be dismissed as a waste of time – but then it should not *be* a waste time. Courses need to be short and sharp, professionally prepared and equipped with decent take-away manuals as well as links to Internet follow-up materials. Criticism was levelled at some trainers and mentors sent by the MDDA to educate the grassroots, and at the weaknesses in what was being taught or shown. Said the AIP in Census 2006:

The MDDA, SAMDEF, and other support agencies do offer mentoring – but Census 2006 respondents described the mentoring as uncoordinated efforts that fail to explore linkages or synergies between like-minded publishers. The quality of actual training and technical support delivered by mentors was furthermore rated them as ‘useless’ because the experts are seldom ‘real’ publishers with hands-on knowledge of grassroots market conditions.<sup>5</sup>

We found confirmation for this view from several experienced publishers. While thanking the MDDA for paying for a readership survey and marketing budget, Christoff Oosthuyzen of BigNews remarked:

The problem with government agencies is mostly that they do not get their product mix right, and if they do, they staff their delivery arms with inappropriate people (try get social workers teach business owners to run their businesses better = failure; get retired corporate managers to be SMME mentors = failure; etc). I'll be very keen to help, if possible at all, to ensure that what the MDDA offers is (a) appropriate products for small independent publishers (and not-for profit community media, which is where I worked a decade ago) and (b) delivering these through appropriate channels by appropriate providers. Is there scope for this?<sup>6</sup>

***Social workers can't teach business methods, and retired corporate managers are not good SMME mentors.***

Mentoring has to be expert, thorough, and tailored to the situation. One publisher, answering our questions about what is needed in training, stressed the rural perspective:

Development in rural areas needs lots of mentoring to get businesses up and running properly and sustainable. Mentors tend to be very expensive. It is also important that they **LIVE IN THE AREA** for a minimum of 1 year – specially to train journalists. The consultants or trainers that come in for a few hours or days at a time don't really meet the fundamental needs of the youth as they presuppose a level of expertise/knowledge/skill that is not there. So a major success factor that the MDDA needs to consider is that emerging SMME's need a "big brother" not just finance.<sup>7</sup>

***The theme emerging here is that no matter how much support the MDDA tries to offer to individual publishers, it will probably never be enough.***

The needs are clear, as are the inadequacies of the way things are being done now. Many a publisher uttered similar cries from the heart. The theme emerging here is that no matter how much support the MDDA tries to offer individual publishers, it will probably never be enough. Sending a mentor to live in a remote area for a year would, indeed, be an expensive exercise. It could perhaps be done on a once-off basis but one would have to take care that such mentoring posts did not become sinecures for the retired or out-of-work. In any case, how many publications could served with year-long residential expertise? It makes no financial sense.

### **Comprehensive scheme**

What we termed the “obvious” solutions will be those that the MDDA can afford and that attack the issues at root – by means of tough analysis and tailored interventions. Nowhere is this more apparent than in the training and mentoring field. Although an infrastructure is in place – the MAPPP-Seta as an educational authority, tertiary departments with extension training, scattered mentors, many existing courses, and so on – co-ordination and depth are lacking. The MDDA needs to institute a full-on educational and advice system for grassroots newspapers:

- Investment should be made in the writing up of sets of course materials.
- Educators need to be recruited from experienced ranks and trained to impart the materials creatively and effectively.
- The sector needs a mentoring directory linking the MDDA and its constituency with experts.
- The proposed iPOP should hold the expert directory, be a repository for training materials, and act as a channel of communication between peers and mentors-mentees.
- Monitoring must ensure that training and mentoring do, in fact, begin to bring about the desired results.

All of this dovetails with S-Curve analysis and with sector development in general. Time and money spent in this way should bear system-wide results. Two likely directions of development are peer mentoring, and an internship in conjunction with the universities. Our recommendation is that both be included in the comprehensive overhaul that must take place.

### **Peer mentoring**

Peer mentoring has been called a form of community building, a non-threatening way for a seasoned colleague to support others in their professional growth. It is

a confidential process through which two or more professional colleagues work together to review current practices; expand, refine, and build new skills; share ideas; teach one another; conduct classroom research; solve problems in the workplace<sup>8</sup>.

As we have previously mentioned, several publishers volunteered their services to conduct peer mentoring. Not just publishers, but others with the track record to prove their worth, have come forward. Here is one such offer:

We suggest the MDDA combine its existing pool of mentors with people, like Malvory Adams and Debbie Hendriks (from West Xpress) and Willida Peach (Chalkline), who have first-hand knowledge of the joys and pains of publishing grassroots publications. The MDDA can also request Uhuru's CEO, Desmond Sampson, a very knowledgeable man, to assist with mentoring. We would gladly impart the positive and negative lessons we have learned to ensure that future publishers do not make the same mistakes. We will help them draft a guiding document that will bring future success and teach them to look realistically at every detail to produce their success manual.<sup>9</sup>

***A comprehensive grassroots training system will require detailed training materials, a network of proven experts to teach and mentor, and the iPop to place templates and course materials online.***

*A far more dynamic approach is required to recruit serious media professionals.*

### **Calling Potential Mentors**

The Media Development and Diversity Agency (MDDA) is establishing a database of “mentors” who can assist in capacity building of emerging and existing media organisations. The following skills amongst others are needed:

- Organisational Development
- Business Plan Development
- Financial Management
- Feasibility Studies
- Media Skills (radio and print – editing, writing, production, lay-out and design etc)
- Media Management
- Gender awareness
- Selling advertising and media planning
- Marketing
- SMME Management
- Fundraising
- IT training
- Participatory research/audience research

The MDDA is particularly interested in getting details of organisations/individuals who have a background in media and/or in development.

If you think you could help us meet these needs then please send a CV and/or organisational profile, detailing your expertise, previous similar experience, average consultancy rates and references (names of organisations you have done similar such work with) and details of languages you are able to work in.

Submit information to:

Farhana Goga at the MDDA –  
P.O Box 42846  
Fordsburg  
2033  
Fax: 011-492 1198 or  
Email [info@mdda.org.za](mailto:info@mdda.org.za).

For more information email or call: 011-4922003

Here is another offer :

AIP also offers grassroots publishers free telephonic advice and support services on technical business issues, ranging from advertising & printing advice, to legal & labour advice. The advice is obtained from veteran publishers, lawyers, CCMA commissioners, and the Competition Commission. The pilot helpline has proved sufficiently popular that AIP is preparing a funding application to expand the service as a fully-fledged advisory center<sup>10</sup>.

There is every reason to encourage these developments, with the proviso that a set of procedures for mentoring needs to be worked out, and the the basic content of each mentoring effort should be written down and captured in the information system to be set up (iPop). A knowledge base will grow out of this that all mentors and trainers can tap into.

### **Recruiting Mentors**

The MDDA's current appeal on its website for mentors to come forward is wholly inadequate for the task that must be undertaken. The extract shown alongside is all that explains the appeal. Everything mentioned in the list is relevant, but it is just a list. Every mentoring function needs to be described in some detail, and the experience and qualities of the persons who would most fit the bill indicated. A contact is given at the end but the page lacks interactive functions. It is significant that the page was not updated after Farhana Goga left the MDDA. The website contains useful information about the Agency but is not designed to be an effective catalyst

### **Internships**

Many older journalists will remember, in the days before university degrees and technikon diplomas, how young journalists received training in what was then called the “suburban” or “village” press – the precursors of today’s corporate community newspapers. This practice seems to have

***In the days before university degrees and technikon diplomas, young journalists received training in what was then called the “suburban” or “village” press – a practice that should be reinstated to help both grassroots and corporate newspapers today.***

***An internship system should draw in students from media and commerce departments in universities and technikons (and from commercial colleges).***

fallen away. In its place has come the internship of students mostly at the mainstream publications, which cannot possibly accommodate them all. This combines with a very shaky grassroots recruitment of some graduates. The placement strategy across the sector needs to be coherent, well funded, and set up to achieve stated objectives.

We repeat that the function of small business in the economy is to fuel growth and bring in new ideas, new personnel, new ways of doing things. Getting farmed out to the suburbs and townships is a very good way to start a career in journalism, management or marketing and sales. An internship system should draw in students from media and commerce departments in universities and technikons (and from commercial colleges).

In an indaba (industry workshop) on the skills audit commissioned by the SA National Editors Forum (SANEF), small publishers said that grassroots press training needed special attention:

Existing professional bodies representing the small media sector are under-capacitated and under-resourced. They also have limited access to mainstream media counterparts, without any formal channel for tabling concerns or initiating ongoing constructive debate. SANEF remains the country's most influential and proactive industry forum, and is already engaged in creating sub-committees to represent the special interests and concerns of important niche sectors such as the Internet. SANEF may therefore wish to consider creating a similar forum for small publishers. The proposed sub-committee, with a representative on SANEF's management committee, could serve as a forum for identifying common concerns in the small media sector, and could facilitate the development of common approaches to issues such as reporting standards, training initiatives, and career paths for small media journalists. SANEF benefits by helping raise standards in a key sector of the industry.<sup>11</sup>

The statement added that media training institutions should pioneer partnerships with small publishers, aimed at creating structured internship programmes and skills exchanges. Again, an “obvious” idea emerges: the MDDA, SANEF, and the MAPPP-Seta, should finally set about establishing a clear and purposeful programme for internship training. The tertiary sector will be an equal player, as will the network of willing publishers and skilled mentors who put the internees to work and support their progress. It is a three-way trade between the media institutions, the educators, and the publishers.

Of course, community-based publications that want to use only local people should be free to do so, though they will probably need help to ensure they match the right people for the right jobs and get them into training and internships.

### **Co-opetition in training**

Concluding our recommendations on human resource development, we think the grassroots press and the media industry at large should commit themselves, over the long term, to harmonious, collaborative arrangements. Co-opetition should be the order of the day. The benefits have already been spelt out. And the precedents exist. Sometimes the big groups themselves collaborate, although they often talk and act like sworn enemies. Caxton and Independent joined forces to publish a new neighbourhood newspaper, the Maritzburg Sun, in the fiercely contested market where Media24 and the Witness Group of newspapers operates, including the Highway Mail, Mirror and Village Talk.

Neighbourhoods all over the country are now the setting for turf wars as the mainstream groups reach out to middle LSMs. Rapid expansion of the commercial community press is accelerating but this need not mean that the smaller companies must go to the wall. As the Introduction said, overlap-

***Sometimes the big groups themselves collaborate, although they often talk and act like sworn enemies.***

ping circulation areas are a natural and healthy feature of freesheets and community newspapers in other countries. Competition means diversity; but competitors can have common interests too. Everyone stands to gain from a more skilled and experienced media workforce.

***Disorganised and poorly prepared training and mentoring has been a feature of the grassroots sector ever since the Struggle days.***

### **Training the trainers**

One important consequence of agreements should be that trainers become more steadily employed and are paid at market rates. Disorganised, informal courses, and poorly prepared training and mentoring, have been a feature of the grassroots sector since the Struggle days. Workshops were often quickly cobbled together by university departments, civic groups, and sometimes establishment newspaper groups, to equip the Mass Democratic Movement with the basic journalistic skills required to put together funded newspapers. Almost no training was given in management and the practical functions dealt with here. Printing was paid for; distribution uptake was not a problem in communities crying out for defiant newspapers; and there was little circulation research or professional marketing and promotions to speak of.

The whole landscape has changed and with it has come the demand for modular, progressive course materials over a range of subjects. Shorter, concentrated courses with follow-up training by distance learning would succeed where cumbersome and informal old-style training failed. The MAPPP-Seta has funding to pay for learnerships, provided its requirements are met. Subvention of trainer salaries could be made by the mainstream media.

### **Collective responsibility**

The parlous condition of the grassroots press is inexcusable for all concerned. In all developing countries with democratic frameworks (India and Brazil, for example), local newspapers and radio stations are thriving in response to rising literacy and greater reader demand for usable information. People consult cheap or free media to help them orientate their behaviour towards the jobs market

and learn about the world in general. These trends are present in South Africa, so the signs are good. The goodwill is there to get things done; the institutions simply need to be drawn together. It is time to make it all happen.

## **iPop - Internet Portal for the grassroots Press**

The major differences between the commercial (and municipal) community press on the one hand, and grassroots community papers and magazines on the other, have to do with economies of scale, rationalisation of management functions, and access to resources. Small operators simply do not have the production and distribution capacities of their much bigger rivals, nor can they walk in the door of the average advertising agency and land big contracts. Commercial chains can cross-sell national ads by placing the same ad in many of their local papers; the grassroots tend to be restricted to selling space to local retailers, and have little clout with national chains.

We envisage the Internet portal as a both a “spine” for the grassroots press – to aggregate its strengths and get things done – and a showcase for its people, products, prices and promotions. It is a multi-sided communications tool. It will have the effect of rationalising the sector, placing grassroots publishers on a more competitive footing vis a vis the major companies.

Rationalisation of operations and management is a major force driving media consolidation. It accounts for the rise of sales houses like Caxton’s Newspaper Advertising Bureau and Media24’s Ads24 – in effect sales forces backed by corporate oligopolists which have their spheres of influence in regional areas and are steadily building their networks outwards. Capro, the community media advertising procurement body, has been a victim of corporate rationalisation in the recent past when Caxton pulled its papers out. We have suggested that this opens the way for closer links between the grassroots and Capro, but the general point is that this section of the press cannot hope to emulate mainstream distribution and adsales unless grassroots publishers enter co-operatives.

*Closer links between the grassroots and Capro are called for to help the small publishers rationalise advertising procurement – just one of several areas in which co-operative methods would pay off.*

Our analysis, in the last chapter, of the products that advertisers will want to promote to lower LSMs shows huge potential for an advertising turnaround. But the abysmal performance of many grassroots papers is keeping doors closed.

***iPop would be the main shopfront and trading exchange for grassroots newspapers as a sector, but many other institutional linkages need to be set up too.***

### **Channels, facilities, access**

Three conclusions derive from the picture we have drawn here:

1. *Channels of communication* are needed between grassroots publishers themselves and their key stakeholders, suppliers, media buyers and other clients. This needs an Internet Portal for the grassroots Publishers – what we have dubbed iPop. Training materials, templates, research data, membership lists, publicity for the grassroots in the form of web pages, and much more can go on the site.
2. *Commercial facilities* linking the grassroots to other businesses need to be established in the most direct and functional ways – digitally, via ecommerce. The portal has to be enabled with functions that allow for the syndication of news from local areas to agencies wanting to buy the news; and the syndication of advertising from agencies to grassroots publishers who want to use it. This turns iPop into an ecommerce constituent of the business framework in the sector.
3. *Business efficiencies* must support the whole system of gathering and displaying information, trading in the marketplace, and building services for the grassroots. The services network should be run by people who know what they are doing in assembling and managing information to make it accessible. The upshot is our proposal for GAPS – the General Agency for Publishing Services.

## Visibility, forum, exchanges

iPop would aim to give the small press visibility, make it more self-aware, and facilitate information and trading flows of all kinds. It entails a definable IT development project with a lot of content, constant upkeep, and income-generating features both to run itself and grow wealth in the grassroots sector. In essence, iPop would have many-layered functions, which we can summarise as:

- SHOWPIECE, to change perceptions;
- CHANNEL, to network publishers and stakeholders;
- FORUM to air debate and attract attention;
- RESOURCE for knowledge and development;
- SYNDICATOR seller of news content and vehicle for adsales;
- EXCHANGE floor for mentoring and employment; and
- CLEARING HOUSE across the spectrum of publishing activities.

iPop would be the main shopfront and trading exchange for grassroots newspapers as a sector, but many other institutional channels would have to exist too. A schematic view of these channels appears in the appendices. As regards marketing tools, publishers need websites; and we suggested earlier that the MDDA should publish an advertising prospectus for the whole sector. We have also proposed the formation of the NCPF which would doubtless produce publications, run events, and reach government, the civics and the private sector by other channels.

***Grassroots publications need websites and the whole sector could do with an advertising prospectus to boost its image.***

***The portal and its associated networks should attract sponsorships from big IT companies and draw in web advertising.***

### **Indian example**

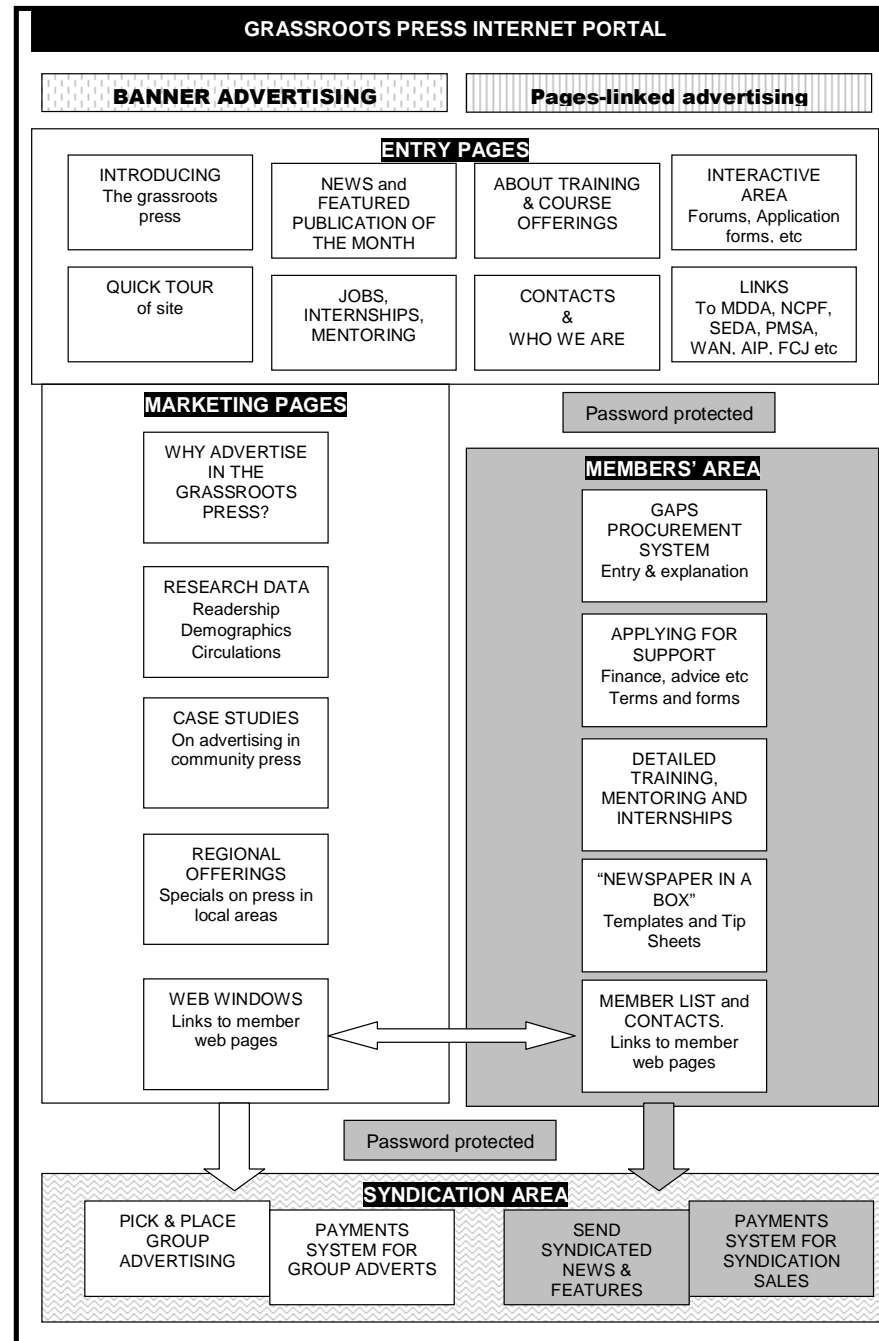
An international parallel worth studying is the Open Knowledge Network (OKN) Workspace North India initiative, launched in 2004.<sup>12</sup> This is a multimedia networking effort, intended to mobilize communities, spread information, and connect with local, national and international partners. It has now joined forces with National Informatics Centre (INDIA) and UNESCO, and the intention is connect community hub organizations together via a number of info-kiosks in North India.

The chief difference between OKN north India and iPop is the business framework we recommend (falling under GAPS) but two things essentially in common: an extensive network of ICTs is targeted at this with little existing connectivity; and media people are the drivers of the system, with connections made to others in the surrounding environment in order to mobilise resources. Similar OKN initiatives are under way elsewhere, including Africa, and the MDDA should put out feelers to the OKN for technical and operational insights.

### **Gateway**

iPop would be a gateway to the sector. It would explain what the sector is and outline the different types and functions of grassroots media, while interpreting reader interests and publisher missions for site users. The diagram on the opposite page shows how we envisage the Portal's architecture schematically.

- It would link to many related websites all under the iPop banner. It would have an open area (for general users) and closed password-protected areas for members. Sections addressed specifically to advertisers would present data, analysing the demographics and psychographics of readerships. It would confer credibility on the sector by outlining the ABC-style circulation and reader surveys conducted for or on behalf of the sector.



*iPop Is conceived of as a communication space with constantly growing components and a lot of interactivity: the diagram represents an initial groundplan.*

***Grassroots newspapers have direct sources in the community, enabling them to cover events and issues quickly and honestly if – and it's a big if – the reporting is competent.***

- Site architecture would be fairly elaborate, and scaleable, but nothing beyond the abilities of South African web designers. It should have revenue-generating features such as advertising and paid subscriptions. There must be forums for discussion inputs, and newsletters. Syndication functions are standard for ecommerce engines.
- It would require strong financing and equally strong management. Partnerships should be established with advisory agencies in the field of SMMEs such as the Small Enterprise Development Agency (SEDA). The MDDA could provide some seed funding as part of its infrastructure-build for the sector; but government support (perhaps via Sita) and private sector sponsorships would have to be sought, along with possible overseas aid funding.

In terms of branding, iPop would establish a clear sector identity distinct from mainstream media, presenting the social responsibility themes of the grassroots press as both historically well founded and highly relevant today. The major plus of grassroots coverage is that it is local and has direct sources in the community, so that events and issues can be quickly and honestly aired – if (a big if) the reporting is competent. The issue of sharing and syndication requires special attention and a study to be conducted as part of MDDA research.

We now turn to the structure and functions of GAPS.

## GAPS - General Agency for Publishing Services

In an article on the new information economy, management and innovation thinker Robert Heller writes:

The virtual distinction between the producers and their ultimate customers has collapsed, sometimes to near-zero. All of a sudden relationships among producers, wholesalers, distributors and retailers, once virtually sacrosanct, are up for grabs.

Heller underscores how supplier-buyer relationships have become increasingly synergistic and that they involve learning. Internet interactivity is partly what has brought this about, but other factors include corporate downsizing and the flattening of hierarchies to make business more responsive to opportunities. Networking allows companies to move away from traditional one-off buying and selling solutions and find ways of connecting producers and consumers within a co-operative scheme of things instead of a purely transactional one.

This principle (“co-operacy”) should appeal to community media managers and editors. By networking with peers and emergent businesses; by interacting creatively with readers, sources, advertisers and other members of the media; by seeking new opportunities in untapped relationships; by all these means, community newspapers will be playing to their essential strengths.

GAPS is about relationships-building and networked communication. Its main purpose would be to perform the functions of a widely connected procurement agency, accessing goods and services on behalf of grassroots publishers. Associated with its main purpose, GAPS needs to procure advice and facilitate business efficiencies through management assistance. The agency should have regional branches (RAPS), working together but serving their local clients. The organogram in the box on the following pages depicts the proposed structure of this business unit. GAPS would -

*All of a sudden relationships among producers, wholesalers, distributors and retailers, once virtually sacrosanct, are up for grabs.*

GAPS should be set up as a Section 21 not-for-profit entity with the role of trading in information for the benefit of the grassroots sector (and possibly community radio sector too, though our Report has not explored the implications of this). The company would, in other words, charge for its services and seek to cover all costs, ploughing back any surplus into serving the sector better.

The relationship between the MDDA and GAPS should be that of a “holding company” to an operational venture. As with any subsidiary company in the private sector, GAPS should have its own directors and management. Appointees on the board would represent the interests and policies of the MDDA. The organogram at right sketches a possible structure, showing staffing, expert support, and relationships with stakeholders and the grassroots sector.

It is our recommendation that GAPS should be put out to tender. Its objectives can be outlined in the call for tenders. A separate call should be made for iPop, which, though falling under GAPS, needs technical design by IT professionals. GAPS would control the content of iPop and manage the research and business activities associated with it.

It is extremely difficult, without a detailed costing exercise, to estimate what would take to set up GAPS and iPop as going concerns. Decisions on the detailed structure, composition, functions, capital outlays, staffing, client targets, branding, and

## The aims and structure of GAPS as a service agency for grassroots

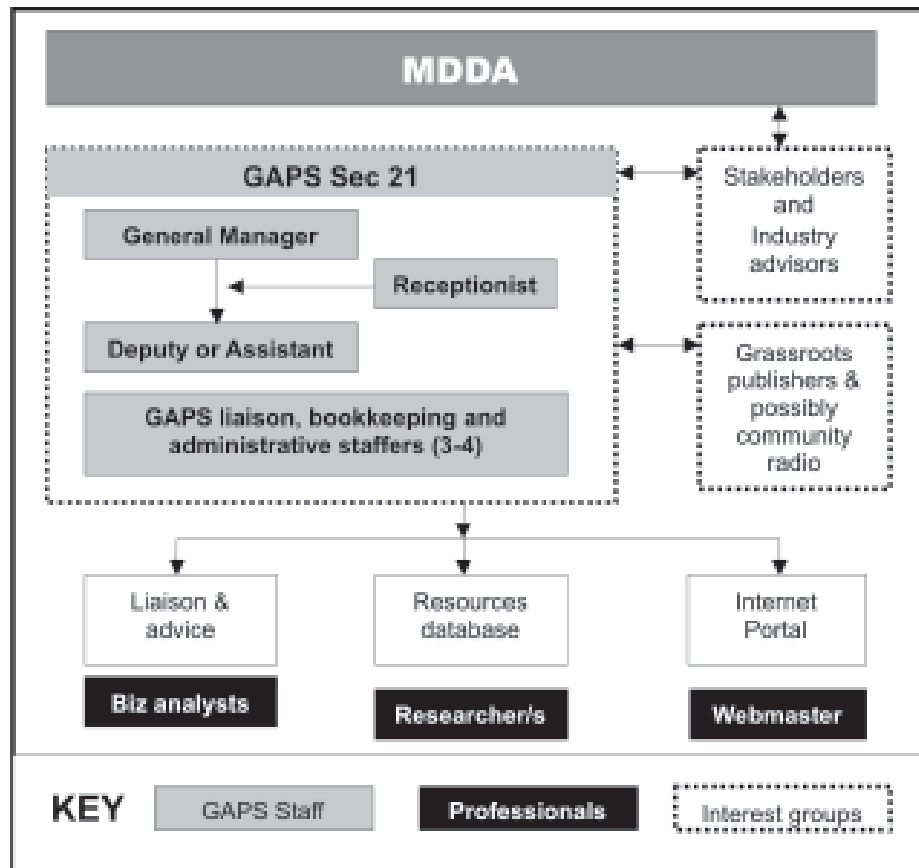
performance benchmarks and audits of the enterprise should be delayed until full tender proposals, with costings and income estimates, have been received.

The MDDA’s commitment should be to provide upset funding and underwrite the operations; but the clearly expressed aim of GAPS would be to turn the corner from subsidised operations to break-even and ultimate sustainability within a defined period of years – say two years. Tender specifications would thus require the setting out of timeframes and business development strategies to attain sustainability.

The creation of a service agency of this type is not an entirely unique proposition. Numerous companies and government departments, here and abroad, have procurement agencies whose decisions and actions are guided by the policy dictates of their principals.

For example, Sita, the South African Government’s technology procurement agency, is a public sector ICT company established in 1999. It focuses on the effective provision of ICT

products and services across the three spheres of government, namely national, provincial and local. Sita would undoubtedly make concrete proposals regarding the tendering



descriptions and management responsibilities.

Meanwhile the Governance and Administration (G&A) Cluster of government departments has been conducting research into the effectiveness of government's procurement processes in relation to the promotion of black economic empowerment (BEE). The study is to identify the key obstacles to the promotion of BEE in government procurement, and formulate proposals to fast-track BEE in the public service.

GAPS could do the same, although it would only have "the power of the pocket" to bring about transformation by sending business in the direction of emergent operators. GAPS's procurements could include:

- Obtaining management and financial advice for start-ups and those needing to improve business processes.
- Providing legal and contractual advice and services.
- Securing training and mentoring from recognised educators.
- Commissioning the production of, and making available, templates and/or a "franchise" model for the newspaper-in-a-box.
- Handling syndications of news-sales and advertising space sales through iPop.

These functions would extend the role of the GAPS from simple procurement to the facilitation of grassroots enterprises.

***GAPS would recognise and apply the principles of aggregation and the S-Curve, striving to bring together those who belong together, and tailoring its help to the situation of each enterprise.***

- Co-ordinate the placement of community press jobs with service providers in printing, distribution, research, marketing and promotions;
- Procure the services of emergent businesses as well as established ones, looking for best deals; and oversee planning, ordering, production, deliveries and quality control;
- Come to the assistance of disadvantaged publishers by putting them in touch with expert advisors, trainers, strategists, management services, and legal brains
- For the more advanced publishers, act as a clearing house within the sector, bringing benefits through bulk ordering and rationalised workflows.

In other words, GAPS would recognise and apply the principles of aggregation and the S-Curve, striving to bring together those who belong together, and tailoring its help to the situation of each enterprise.

### **Californian example**

Various international comparisons can be made: here is one from Alameda County, California.<sup>12</sup> A General Services Agency operates as an arm of the local authority but has key private sector functions. It seeks to improve the quality of local services and open the access to them. It also runs a procurement and training network called the Small, Local and Emerging Business Program (SLEB).

The purpose of the SLEB Program is to grow local small and emerging businesses by making it possible for them to undertake public contracts. (This is similar in intent to a black-empowerment style procurement service which not only identifies candidates among SMMEs but grooms them to take on work). In effect, the website of SLEB is both a supply-side net collect details about possible suppliers, and a demand-driven service to find suppliers for those who need them.

## Empowerment and procurement

The same ideas lie behind GAPS. Although SLEB is an official agency it is both a procurement agency and business advisor. Furthermore, it is an empowerment agency. The supply-side's open-ended appeal to service providers – and the willingness shown by Alameda County to guide suppliers on service applications – is good model for attracting emergent service providers, as we envisage happening in publishing, from printing through distribution to marketing and research. There are three broad programme components to SLEB:

- Bid preferences for local businesses and for certified small or emerging businesses are shown and contract terms spelt out.
- Training, education and technical assistance opportunities are offered to enhance local, small and emerging businesses' successful participation in the County's procurement and contracting programs.
- Businesses not meeting the definition of a small or emerging local business are required to partner, joint venture or sub-contract a minimum of 20% of the estimated contract award to a small or emerging local business in.

By now, terms and conditions like these are familiar to most South African firms and are widely understood as the way the BEE game is to be played. GAPS, although running as a business unit, can set out its terms and conditions of procurement in the same sort of way. It amounts to a transformational strategy that is implemented with the agreement of suppliers and buyers.

## Need for GAPS

Do publishers perceive a need for GAPS? - most certainly they do. For example, by email and at the Roundtables in person, we polled key informants on the question “Does any formal network of progressive printers exist, across SA, to assist small publishers?” Among the replies received:

*By now, the terms and conditions on which the BEE game is to be played are familiar to most South African firms and are widely understood.*

***GAPS, as a service agency, would facilitate the collaboration but would not be the moving spirit that makes it all happen. That has to come from the participants themselves.***

No. Nothing. Nada. What's going on?

The AIP seems to have names and contacts but I can't establish that any actual network exists where, say, small publishers could log onto a website and get a list of printers in their area, costs, and terms – as well as advice on how to draw up printing specs. None that I know of. I only know of one printer's on this side of the mountains and they ARE expensive!

What do we need? An information system – yes. A network to put us in touch with printers and other business services – yes. A contractual advice and credit system – yes. So long as these needs are not met we will still be all at sea!

Transport and communications are the highest costs in a rural area and the major inhibitor to profitable businesses. If we had a grapevine of contacts, and we all worked together, we could share costs and push down the amazing prices we are charged. I guess we inconvenience the printers, so they charge up. We really have to put our heads together on this.

The comments do more than disclose the need for GAPS – they reinforce the entire set of arguments made throughout this Report for active collaboration between grassroots players. GAPS, as a service agency, would facilitate the collaboration but would not be the moving spirit that makes it all happen. That has to come from the participants themselves.

## **Budget allocations**

We come now to the issue of how the MDDA should choose to spend its money. And, how far can the MDDA go within the limits of legislation and regulations?

It is apparent from our reading of the MDDA Act<sup>14</sup> that the Agency’s budget is intended for a variety of purposes. While the first regulations to be published allocated the major part of funding to projects, and a lesser amount to administration, nothing precludes the kind of infrastructural initiatives (necessitating expenditures) that are recommended throughout this Report.

Section 17 of the Act lists the types of support that the MDDA can give. It starts with cash grants for projects and emergency finance to bail out projects that are in danger of collapse, but it goes on to make clear that “training opportunities and capacity development in all areas of media production and distribution”, “feasibility studies”, “media research”, “indirect support” and “identifying, gathering and distributing resources for media development production and distribution through agreements with strategic partners” are also contemplated.

So far, in allocating budgets, the MDDA has allowed (a) community media projects: at least 60%; (b) small commercial media projects: at least 25%; and (c) research projects: at least 5%. What we are proposing now is that at least one-third and up to one-half of the MDDA’s funding budget should go towards infrastructural activities – that is, all the things that follow after the Act’s first mention of cash grants and emergency funding for projects. The budget slice we propose is not arbitrary.

- By saying one-third, the minimum, we imply that at least this much of the MDDA’s time and attention should be applied to meso (sector level) activities, which is one of the three levels of analysis we have invoked here (the others, of course, being micro and macro). Under a one-third allocation to the sector, macro affairs will be left without funding. It would be hoped that things will go forward on this level due to the direct involvement of the mainstream media industry in the MDDA.

***Nothing precludes the kind of infrastructural initiatives that are recommended throughout this Report.***

***The MDDA's executive and frontline staff should become engaged in a new push to generate tangible (ie funded and sponsored) support for its infrastructural initiatives.***

- By saying one-half, the optimum, we suggest that half the funding continue to go to projects and the other half to meso and macro activities, with the emphasis still on the meso level. The establishment of the NCPF, iPod and GAPS can be contemplated on relatively slim budgets if sponsors can be found for networking and the establishment of the service agency is perhaps underwritten by a body like SEDA or the Industrial Development Corporation (IDC). Funding would therefore be applied to liaison activities such as hosted workshops, staff travel and accommodation, and small-scale marketing tools to reach stakeholders.
- As far as humanly possible, the MDDA's executive and frontline staff should become engaged in a new push to generate tangible (ie funded and sponsored) support for its infrastructural initiatives. A workshop to brainstorm and strategise this outreach would seem to be a necessity, early in 2007.
- The MDDA is in the process of revising its grant-making procedures and reviewing the cycle of activities that goes along with it. This is a good opportunity to make the budget allocation changes. The actual costs of the NCPF, iPod, GAPS and other initiatives would need to be worked out in tendering processes once policy directions are decided.

### **Reactive and proactive**

If we are proposing that a considerable slice of budget go to infrastructure building, does this mean that projects will suffer?

Not necessarily. Projects will benefit from an improved form of business analysis – that is if the S-Curve and all that it implies is accepted and implemented. There will be a tightening up on how project monies are given. Current methods of assistance have tended to be reactive: the MDDA receives an application for funding, and after checking up, either grants the money with conditions,

or insists on further preparatory work before reconsidering. This has several drawbacks. For a start, it means that those who may know the least about what they are about to embark on – the launch of a publication – are often the ones who lay out the plans.

All our recommendations have indicated that, instead, a more proactive approach is needed. Experts who know the publishing business best should be called in at a very early stage to advise and train the project's people, consider the human and financial resources being brought to bear, and not give support unless both the enterprise and the environment make it feasible and realistic to proceed. The intention, as we phrased it, is to flatten the S-Curve. Later, as projects go through S-Curve phases of development, the publishers will have a much better idea of their needs but this still does not absolve the MDDA from the need to examine proposals very carefully.

### **Infrastructure development**

The new CEO of the MDDA, Lumko Mtimde, was asked by the Media Online whether there were any plans to encourage more funds to be dedicated to print media. He said:

Currently, we do have an agreement with print media companies, in accordance with the partnership referred to in the MDDA Act. This agreement is for a period of five years. We hope to engage with the print media companies, as we work towards the revision of the current agreement and will advise of the outcomes in due course.<sup>15</sup>

Clearly, the Agency will be marking time on this one, so budget must be carefully parcelled out. But since some of the infrastructure build concerns all community media (eg market research) the print media sector should also benefit.

***Mature grassroots publishers will have a good idea of their needs but this does not absolve the MDDA from examining proposals very carefully.***

***The World Association of Newspapers notes in its 2006 report that the burgeoning community newspaper sector is being strongly supported by the MDDA.***

## **Conclusion**

In spite of difficulties, the MDDA's efforts are winning praise at home and abroad. For instance, the World Association of Newspapers reported in 2006:

The SA Government established the Media Development and Diversity Agency (MDDA) in 2002 to assist community newspaper initiatives with seed funding, capacity building and research. Some provinces (such as the Western Cape and Gauteng) are publishing their own local news sheets, which could soon begin to attract advertising revenue away from newspapers. The MDDA has also assisted small commercial media projects and non-governmental internet service providers with funding. The Media Development and Diversity Agency has helped launch a number of community newspapers. Ownership (changes, such as mergers, acquisitions, alliances; new or planned legislation or initiatives on investment, foreign ownership, cross-ownership, concentration and privatization affecting newspapers as businesses). There have been no important changes in media ownership trends in South Africa since the last survey, except for the burgeoning community newspaper sector, which is being strongly supported by the MDDA.<sup>16</sup>

This amounts to significant international recognition. What it does not attempt to do is analyse the framework in which developments are taking place, which is what we have attempted to do.

## Footnotes

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- <sup>2</sup> Hill, David – Interviewed by Graeme Addison for Brand magazine. March 2006.
- <sup>3</sup> Judgement in Brink versus Humphreys and Jewell (Pty) Ltd 2005 (2) SA 419 (Supreme Court of Appeal).
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- <sup>6</sup> Oosthuizen, Christoff – email communication with researchers, October 2006.
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- <sup>10</sup> AIP – Census 2006.
- <sup>11</sup> [http://www.sanef.org.za/skills\\_audit/consulting\\_regions/276336.htm](http://www.sanef.org.za/skills_audit/consulting_regions/276336.htm).
- <sup>12</sup> OKN North India. [http://www.openknowledge.net/show\\_cont.php?id=67](http://www.openknowledge.net/show_cont.php?id=67)
- <sup>13</sup> Alameda County website: <http://www.acgov.org/gsa/sleb/index.shtml>
- <sup>14</sup> Act No. 14,2002 MEDIA DEVELOPMENT AND DIVERSITY AGENCY ACT. 2002
- <sup>15</sup> [http://www.themedia.co.za/article.aspx?articleid=285763&area=/media\\_insightfeatures/](http://www.themedia.co.za/article.aspx?articleid=285763&area=/media_insightfeatures/)
- <sup>16</sup> World Association of Newspapers (WAN) - World Press Trends 2006, Country report: South Africa. World Association of Newspapers (WAN) published through Print Media SA.

# Summary

## Argument

Broadly, the Report has tackled market development issues in order to make realistic proposals about printing, distribution, circulation and marketing. Less one-off funding and more infrastructure building, via the sector and at national level, are required.

Case studies have been most valuable in highlighting where successes are being achieved. But on the whole the grassroots press is in trouble because many publishers cannot cope with the demands of the craft.

Interventions by the MDDA to enable market development of grassroots publishing are necessary, and these types of interventions were foreseen in the Act that set up the Agency. Meanwhile, research shows that the market for grassroots press products is improving.

The fundamental problems of human resource development, management skills at the enterprise level, sector interrelationships, and co-operation with the wider media industry have to be addressed in a series of wide-ranging meetings and negotiations, led by the MDDA and its allies in the sector.

## Recommendations

- The tools of change are not ready to hand and will need to be created. For this to happen, a fundamental readjustment of the grassroots media needs to happen too.
- The proposed National Community Publishers Forum would give an airing to issues and allow for debate around critical matters of identity, goals and technologies.
- In particular, digital communications is essential and everything possible needs to be done to get the grassroots press onto the information highway. With the necessary connectivity, iPop, Portal for the grassroots Press will perform as both a communications channel or “spine” for the sector and a showpiece to carry data and display its products.
- A central clearing house for services, advice and information provision should be brought into being in the form of GAPS, the General Agency for Publishing Services. This agency is vital to open up service possibilities and encourage the growth of emergent businesses in the sector.

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