



A BLUEPRINT FOR GROWTH

Moving From Current Realities to New Realities

New Realities has fundamentally shifted how we -- NPR management and staff, and many station and system colleagues -- collectively see our future. It is now time to move from observation and orientation to decision and action.

This Blueprint for Growth lays out an approach to critical decisions and actions so that we may lead effectively in a rapidly changing, highly competitive, digital media environment and continue our commitment to grow and engage audience and strengthen the public radio system.

The future of the system pivots, in large part, on NPR's ability to define a vision, make sound strategic choices and execute a deliberate plan of action.

Dana Davis Rehm

TABLE OF CONTENTS

A Blueprint for Growth

INTRODUCTION

- **Lessons Learned From New Realities**

PART 1: INITIATIVES AND EXPEDITIONS

INITIATIVES

- **News Network of the Future**
- **Digital Distribution Services**
 - **New Music Service**
- **Raise Big Money Collaboratively**
 - **How Big Is the Pie?**

EXPEDITIONS

- **Emergent System Goals & Principles**
- **Market Solutions**
- **National Conversation**
- **Local & National Emergency Management Standards**
- **Management & Professional Development for the System**

Part 2: STRATEGIC ORIENTATION

Trust is our key value proposition.

- **A New Focus on Audience**
- **A Renewed System Leadership Role**
- **Organizational Change Through Internal Alignment**

“The best way to predict the future is to invent it.”
Alan Key
(Inventor of object oriented programming and the graphical
user Interface - basis for Apple’s OS and MS-Windows)

INTRODUCTION

Lessons Learned from New Realities

After many years of continuous growth, our current industry franchise – public radio – is facing its most significant challenge.

Audience is no longer increasing and listener support is stagnating. At the same time, expectations are growing: our listeners, like other audiences, are looking for new ways to get what they want, when they want it, in forms that best suit their needs. Equally important, technology is accelerating changes in media usage patterns, social interaction and content distribution. While media participants are growing, the foundation of mainstream media is eroding, and public radio is captive to these same irreversible forces.

That is why we launched New Realities, which is the foundation for this report, presented in two parts. This report is not a comprehensive strategic plan; rather it serves to sharpen NPR's focus on growth and define its system role as we transition from public radio to public media. Part 1: Initiatives and Expeditions - lays out a course of action. Part 2: Strategic Orientation - describes how NPR can and will enhance the public's trust by leveraging the linkage among the audience, the system and NPR.

We must compete - together.

In the context of radical change and chaotic competition, NPR must be absolutely clear about its purpose, unique value and relationship to stakeholders, particularly our Member stations, upon whose health the current business and service model depends.

For the past 30 years, NPR's competitive actions have been directed internally – focused on ensuring our position as public radio's primary program producer and earning the lion's share of station revenues. NPR's product development, speed to market, plans and programmatic focus were shaped by this finite public radio marketplace. This competitive perspective is no longer appropriate.

All public radio organizations – stations, producers and networks - are now competing for audience attention with major media companies that are bigger and better resourced and that operate more nimbly across the commercial, internet and mobile landscapes. We are also competing with do-it-yourself bloggers and podcasters and emerging new media forums. Nonprofits, cultural institutions and businesses are starting to create and distribute their own media products. The historical relationships among producers, aggregators, stations, and listeners are blurring rapidly. For the past ten years, our fragmented approach to this new competition has been insufficient: slow, modest in scale, frustrating to existing audiences and a barrier to potential audiences.

New Realities confirmed widespread dissatisfaction with these piecemeal efforts and demonstrated a willingness to consider new options: strategies that would move away from fragmentation toward cohesion, away from company-centric planning toward audience-centered services. The clarity and discipline that this kind of cultural change demands is not easy to accomplish and requires radical new ways of thinking and operating from all of us in public radio. We are challenged to act deliberately, collaboratively and swiftly. If public radio fails to change and adopt new approaches, our current and potential partners – and, worse, our audiences – may go elsewhere, and other content providers will take our place, fulfilling the audience's needs and earning the trust that was once the province of public radio. NPR is ready to adopt a new system-oriented approach to competition and we invite other stakeholders to join us in leading that effort.

Engage the Audience.

Technology has irrevocably changed how people will receive and interact with content and content providers by creating new choices and opportunities. We must look beyond the technology and seek a ***transformation based on understanding and serving the audience***, acknowledging that the audience can be trusted, and now wants more of a conversation with us and with each other. Our ability to remain vital will not be a happy accident; it must be purposeful, as when public radio committed to doubling audience in the mid-80's.

With the audience at the center of our decision-making and engagement as a new fact of life, management of that relationship becomes a shared responsibility. Working across networks and with Member stations, public radio can ride the wave of user-generated content by creating and curating content that grows from the audiences' interactions with each other. By encouraging audience engagement with content that informs and enriches their lives, public radio's relationship with them will be strengthened.

Trust is our key value proposition.

Our most precious asset is the public's trust, and this is the central value against which NPR will measure itself across all activities. By building on the public trust that was established through our collective radio service, we can create a broader and deeper trusted space that transcends all platforms. The trusted space can define public radio regardless of where, when or how our service is produced, provided or presented. To live up its part in achieving this aspiration, NPR will seek to build trusting relationships between and among the institutions of public radio, with other organizations of similar values and ideals and with the audience. NPR has established a reputation as a ***source of trusted content***. ***We can do more, and we will, but the breakthrough in thinking is for NPR and public radio to be the convener of the trusted space*** where people can learn, grow, connect and contribute.

“The market for something to believe in is infinite. We are here to find meaning. We are here to help other people do the same. Everything else is secondary. We humans want to believe in our own species. And we want people, companies and products in our lives that make it easier to do so.

Product benefit doesn’t excite us. Belief in humanity and human potential excites us. Think less about what your product does, and think more about human potential. It’s not about merit. It’s about faith. Belief. Conviction. Courage. It’s no longer just enough for people to believe that your product does what it says on the label. They want to believe in you and what you do. And they’ll go elsewhere if they don’t.”

Hugh MacLeod, brand consultant, copywriter and cartoonist.
Author of the manifesto “Change This.”

PART I: PLANNED INITIATIVES & EXPEDITIONS

NPR will lead three key initiatives flowing out of New Realities to achieve critical goals – richer news content and audience engagement, a foundation for a system-wide digital service and collaborative fundraising to build and grow these new services. These are not, nor should they be, the only initiatives going forward; they were selected because they play to NPR’s core competencies and finite leadership resources, and their success provides vital building blocks for other important initiatives identified by the system. In leading these three initiatives, NPR does not intend to go it alone, but instead takes primary responsibility for marshalling resources, planning activities, facilitating dialogue and implementation.

In addition, there are many worthy expeditions, and we hope other key organizations will share the leadership challenge presented by New Realities. NPR will participate in and support these activities as appropriate, but our scorecard of success will be based upon the three transformational - even risky and revolutionary – initiatives described below.

INITIATIVES

Build the News Network of the Future

The News Network of the Future is a marriage of the goals and aspirations of the NPR Newsroom of the Future project and the Local News Initiative. It will develop, produce and share high quality local, regional, national and international content across the system so that stations and producers can better serve and engage their communities and all participants can attain higher return on investment. The network will be built on a foundation of major regional hubs across the country and other station consortiums – all more closely connected with NPR than today’s structure. It will be funded by national, regional and local sources. The Network seeks to achieve:

- an increase in the quantity and quality of local news
- robust community engagement around news and public affairs issues

To build a more closely linked and vibrant journalistic culture among stations and NPR, the Network aspires to create a:

- system of recruitment, training, editorial oversight, clear career paths
- public radio/media beat system across America
- significant diversity of age, gender, and cultural perspectives among staff across public radio

To make all this possible, we will collaborate to:

- create systems to support content and resource sharing
- jointly define editorial policies, priorities and standards of quality
- initiate special projects to encourage organizational interaction and resource sharing
- establish and promote tools and systems to solicit, intake, evaluate and curate listener contributions thus encouraging audience participation

Build Effective Digital Distribution Services

Public radio's presence in the digital world has been small, under-resourced and fragmented. Aggregating assets and resources to create a new digital infrastructure makes it possible to provide the public with the content they want, when and how they want it across all digital platforms, and to build an open archive of public radio's legacy of service. Such an enterprise permits:

- new and important services to audiences built around public radio content
- broadening the range of our content
- building new audiences through new aggregation partners
- new relationships with key business partners
- economy of scale
- realization of the value of the "long tail"

This public service business envisions new levels of cooperation between the existing, distinct organizations of public media – an open, credible, accessible service in the impartial tradition of the PRSS. NPR will sponsor a team of public media leaders to define this public service business by end of August.

A New Music Service

In many ways, music is the poster child for this new digital distribution world. Every day public radio creates and presents a unique set of ideas and values around the music of American and the world. But these shows, pieces and performances are scattered across hundreds of public radio stations, networks and producers. The depth, variety and richness of the music in public radio is nearly impossible to find and explore even for the most intrepid, knowledgeable and dedicated listener. NPR will lead an exploration to develop a multi-genre, digital music service that will build distributed value for NPR, producers and stations and reinforce public radio's role in defining and presenting music. The new service will make it easy for the audience to find, audition, explore, share,

store and purchase music in all its forms. This plan will be collaboratively designed with key partners during the second half of 2006 and executed in early 2007.

Raise Big Money Collaboratively

New Realities sparked bold, new thinking about how NPR and the broader system could structure fundraising programs and key investments to reach new heights in service of the audience's local, regional and national interests. We agreed that public radio must work hard - and differently - to earn a more prominent place in the hearts and minds of all donors, particularly major donors. First, we will immediately seek to create a coalition comprised of NPR and stations and then, leading donors, to evaluate which of our many aspirations make the strongest public service case and have the power to inspire us to overcome institutional and cultural obstacles. We propose that the combination of the News Network of the Future and the Digital Distribution Service may comprise a powerful case for support.

Through this coalition NPR will gauge whether the News Network of the Future and the new Digital Distribution Service – or other imperatives - can serve as the impetus for a new direction in fundraising. We will also explore whether there are foundation and major donors that do not traditionally fund public broadcasting, but might be interested in “public media” ventures, particularly participatory, online and public service organization partnerships. Once a coalition of sufficient heft reaches agreement and defines a direction, we will design the structure, plan, budget, roles and responsibilities of the venture with the goal of breaking new fundraising ground.

How Big is the Pie?

Concurrent with the effort to build a bold new coalition to raise new support, NPR will undertake an analysis of public radio's revenue potential to inform a system revenue capacity plan. We will use this analysis to identify possible pilot projects and explorations using two initial sets of assumptions -- a "best practices" approach based on today's structure, and one that assumes new structures, resource deployment and fundraising methods.

EXPEDITIONS

These more specifically focused expeditions emerged from New Realities and are presented to the system for consideration of their merits. They are intended to test a hypothesis, advance an idea, make a plan or organize to accomplish a new objective. NPR's level of participation will be determined on a case-by-case basis after weighing what is required and the interest and investment level of other system stakeholders.

Expedition #1: Emergent System Goals and Principles

A set of goals, principles and performance standards that will guide our relationships with each other are needed to build system collaboration and create winning strategies to grow, better serve audiences and build the public's trust. This expedition will provide an initial set of rules of the road for adoption by public radio's national organizations to take some specific steps toward collaborating together and effectively competing in the new media environment.

Expedition #2: Market Solutions

Develop models whereby stations can more effectively cooperate to compete in the media marketplace based on common geography or interests. Explore how to create new branding, operating and service models for stations without changing ownership. Charter a pilot to develop this approach in one geographic market.

Expedition #3: National Conversation

Charter a small team comprised of stations and producers to explore the use of digital tools to engage the audience. Select one or more topics of strong public interest and produce a multi-media experience, including radio programming, Digital Town Halls that invite audience engagement and significant online content and support. Seek participation from markets nationwide. The feasibility of replicating this approach will be measured in terms of the time and cost invested in relation to the public service impact.

Expedition #4: Local and National Emergency Management Standards

Build on the experience of 9/11 and Katrina to assure that audiences are well served across platforms during and after disasters. Charter a group to gather and distribute existing information and emergency planning resources from FEMA, FCC, MRSC, CPB, SBE, Public Radio Engineers and stations with experience in this field. Develop strategy to seek agency and foundation support for standardized, networked emergency solutions to keep stations on air and in service, and to return them to service quickly in worst-case scenarios.

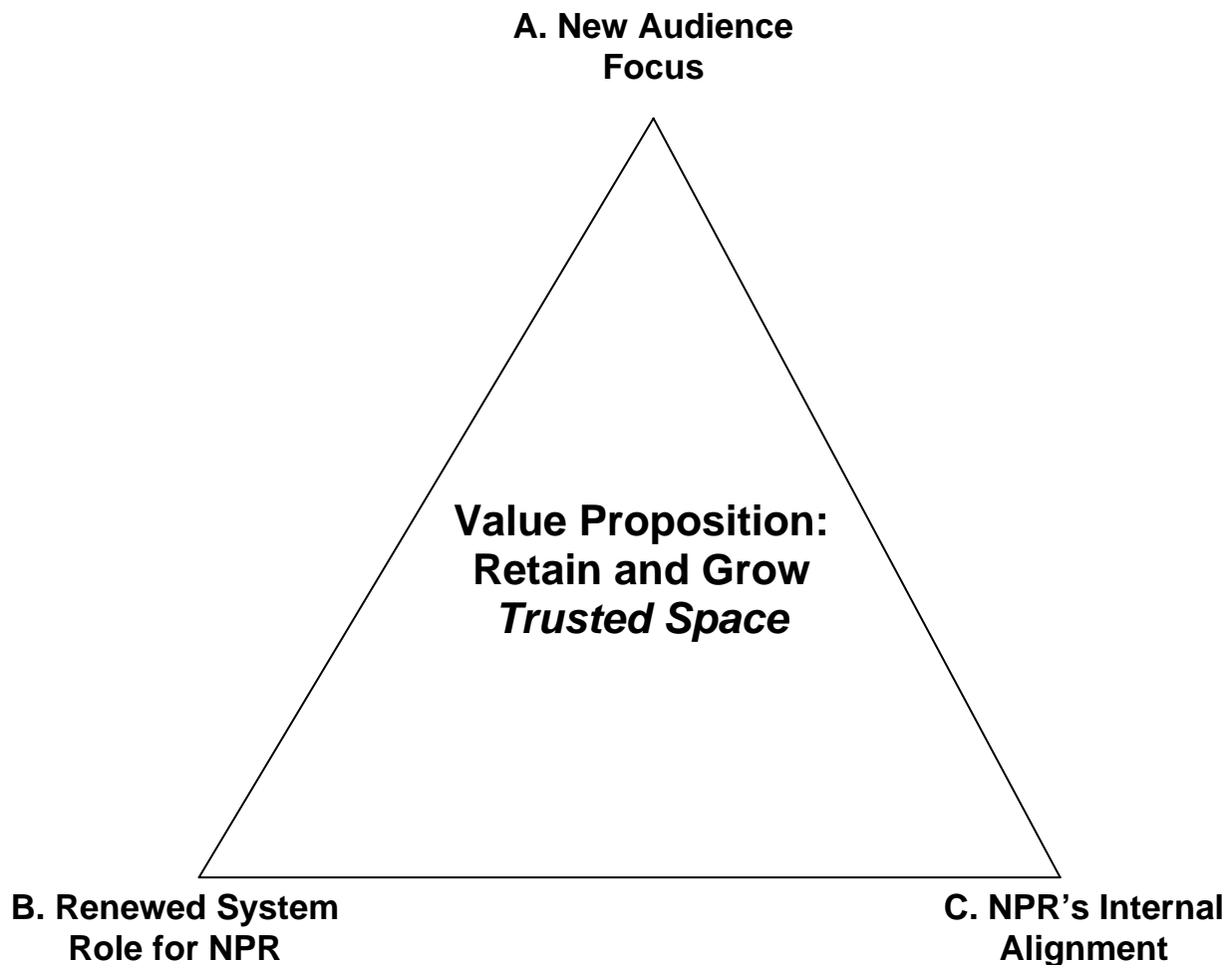
Expedition #5: Management and Professional Development for the System

Address the generational moment (massive retirements and emergence of new media) by strategically investing in people. Establish national standards, accredited programs and executive/staff exchanges within and beyond our system. Undertake campaign to attract young, diverse, multi-media savvy talent and management. Secure Foundation support for professional development.

PART II: NPR'S STRATEGIC ORIENTATION

This representation of NPR's strategic orientation builds upon the aspirations and goals of the 2004 NPR Strategic plan in the light of what was learned from New Realities. We offer this strategic orientation to define NPR's big picture perspective and to share the long-term commitments we intend to fulfill.

The three points of the triangle represent the essential and inter-dependent elements required for NPR to succeed in shaping a desired future -- a new focus on audience, a renewed system leadership role for NPR and a need to achieve internal alignment and adaptability within NPR. At the center of the triangle is the concept of the *trusted space*, the most valuable of our assets and one that we share with our Member stations and the broader system. We envision growing this space by engaging the audience and building trust and thus more effective working relationships within and beyond the public radio community.



“Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time-consuming projects that go in the wrong direction or nowhere at all.”

John P. Kotter, Harvard Business School, change guru and author of “Leading Change”

NPR Orientation A

A New Focus on Audience

Putting the audience first presents difficult and diverse challenges to established models, practices, hierarchies and journalistic values. But successful navigation of today's complex landscape offers significant promise for a renewal of public radio.

First, NPR and Member stations need to understand our changing roles in the cultural and political life of our nation and the many communities we serve. To that end, we must retain the public's trust, building on our reputation as sources of credible and insightful news and enriching content.

Second, in a time when mass media is challenged by an explosion of user generated content and citizen journalism, we need to serve as stewards of a new, trusted public media space that transcends geographic and cultural boundaries. We have an opportunity to embrace, promote and encourage connections among the audience around shared civic goals based on our mission. To accomplish this we will need to curate content and provide tools that enable individuals to engage in making the world a better place. This is not a matter of advocacy, but of equipping people with information, facilitating dialogue, and listening to and acting on what they say.

And finally, we need to make basic improvements in our content aggregation and delivery systems collectively -- online and through broadcast. We need to review our programming and marketing practices and partnerships to make sure that our content is accessible, easily searchable and customizable.

Here's what we'll do to achieve a new focus on the audience:

- **We will invite the audience in as active participants**
- **We will innovate to create new and distinctive content on multiple platforms that meets critical civic and cultural needs**
- **We will define qualitative, relationship driven measures of success (such as measurement of trust)**

To accomplish those three points, we will reorient our thinking and decision-making to put the *audience experience* first. This means we will evaluate everything that touches the audience to make sure that it affirms their perceptions of who we are, and sustains or strengthens our relationship with them. The audience experience is not limited to content; it extends to how we represent ourselves in every sphere, how we raise money and communicate, and with whom we do business.

NPR Orientation B

A Renewed System Leadership Role

If we accept the premise that the most valuable currency in today's world is trust, that means we must hold ourselves and each other accountable for how we structure and steward our assets—time, people, dollars.

This system orientation comprises everything that touches stations, other producers, networks and national organizations. It is based on the idea that NPR will invest in the key relationships that create value for the audience.

NPR is committed to assuming a renewed role in the public radio system with the goal of improving the system's capacity to better serve our collective audience. We will revise our processes to more effectively communicate our intentions, strategies and decisions.

Our system alliances will be based on a *shared set of values* and a mutual commitment to public service. This entails a deliberate shift from *isolated positions* to partnerships built on an *enduring and shared purpose*. By leveraging core competencies within the system, we will become more efficient and attract more resources.

Here's what we'll do to assume a new system role:

- **We will invest in building a healthy network using clear criteria to be defined in consultation with the Board of Directors**
- **We will focus our competitive energy outside the system**
- **We will help grow the revenue pie**
- **We will help develop shared standards, tools and systems across disciplines and functions**

NPR Orientation C

Organizational Change Through Internal Alignment

*“We (NPR) have the people and resources.
The question is - do we have the strategic will
to lead the transformation of public radio?
We can invent the future or squander a dream.”*

NPR Employee, New Realities Retreat
February 2006

NPR employees told us in one New Realities session after another that NPR’s vitality and growth will come through a new strategic relationship with our Member stations and the public radio system. NPR’s best competitive stance is one where the system works as a whole. The New Realities process demonstrated the benefits of interactions between and among NPR and system staff.

To succeed with the three major initiatives, to be a good expedition partner, focus on a more engaged audience and fulfill our new role in the system in times of immense and accelerating change, NPR will work toward new levels of internal alignment and adaptability.

Here’s what we’ll do to adapt more quickly and achieve improved alignment:

- **We will reorganize our staffing structure and resources to ensure teamwork and create value across functions (Newsroom of the Future is the first such undertaking)**
- **We will develop an iterative management planning process and performance processes that encourage and reward cross functional ways of working and innovating**
- **We will bring NPR staff, system and station representatives together to pursue new ventures and to foster a shared vision for NPR and public radio.**