

Media Groep Limburg (MGL): Search for new business models by using talents and knowledge of staff

What does this case study demonstrate?

The first thing that becomes clear when talking to managers as well as employees of this newspaper publisher is that the earnings from selling newspapers by subscriptions and from selling advertisements are diminishing each year. ‘We are racing to the precipice’. But the last years all talents and knowledge of the staff have been successfully mobilized to find and develop new earning opportunities and to create new chances to survive.

Workplace innovation elements: job redesign (more autonomy), work organization, cross functional teams for innovation projects, dialogue, external cooperation.

Context: changing market and digitalization

The market for (regional) newspapers is rapidly changing. For more than a decade earnings, subscriptions and advertisements have been diminishing. MGL responded to these developments by reducing staff from 805 employees in 2001 to 305 in the beginning of 2015.

Furthermore the company was taken over by a new owner twice in that period. In 2006 MGL was taken over from the Telegraph Group by Mecom, a British investors company. This company showed to be interested in profit only. In October 2013 the company was taken over by a Belgian publisher: Concentra-media who is willing to invest.

Mecom tried to make the MGL part of Wegener (also under Mecom), a publisher of home-to-home papers and regional papers. But the employees, led by the Works Council, opposed to that plan and in the end demonstrated (with banners!) against it. They won and Mecom lost its interest in the company and sold it to Concentra.

The last important change was in the person of the CEO. In a few years there were three CEO’s. The first one was very much oriented at cost cutting and profit, then there came an interim manager who (according to the employees) had the mission to integrate the company into Wegener and at the end of 2012 the CEO arrived who is still there. This man had worked at DSM, a very innovative company in the region and he took that orientation with him.

The developments of the last years made the employees say that they have the feeling of ‘having arrived in a safe haven’.

Workplace innovation practices

New tasks and reskilling of sales personnel

A few years ago the salesmen and women sat there at the telephone waiting for a client to sell an advertisement. The new job is to build a relation with the client and to consult him or her what the best ways are using various media to reach their customers. The transition is done with the employees who were there in the department regardless their educational level. However, some of

them had to leave since they were not able to meet the new requirements. Those who could stay, had courses and training and were guided to the new job.

Restructuring of the Editorial department.

The second important change started only one year ago and is also still ongoing. It is a restructuring of the Editorial department. The project is called 'Power from the core' (Kracht vanuit de kern). The editorial work used to be organized along regions in the province, producing daily news messages. Because of the Internet and social media there is a need to produce more background stories and in depth articles for the newspaper. Therefore, more journalists were allocated in the Research department and in Theme groups (e.g. for Health, Sports, Education...). A small group of journalists is still operating as 'first line' in the region. The implementation of this plan started actually one year ago. Just now the journalist are discussing the first annual report and planning the next steps.

Dialogue.

The new CEO organized lunch sessions where employees can utter their ideas in his presence. These sessions have resulted in a list of 80 ideas, 4 of which are now being elaborated by cross functional teams (see below) and the rest has to be assessed yet. The employees have proposed to organize an Innovation café on a regular basis, where the colleagues who are working on an innovation project give an explanation of their plans and progress, thus extending the dialogue.

Cross functional team.

Four cross functional teams have been established to realize an innovation project. Each team is composed with people from all departments and the members actually got a new job. They are trained and coached to realize this project. An example is 'sponsored content', where clients/partners (e.g. a hospital) pay for an article (based on independent journalistic research) about a certain topic (e.g. the prevalence of certain chronic diseases in Limburg). Another example is the design of a 'news app' together with the Limburg broadcasting company.

Cooperation with external partners.

Cooperation has been started with the Hogeschool Zuid (a University college) and one of the plans is to establish a Media Campus or academy. In the same line there is a plan of the management and the Works Council to offer (cheap) room for rent to entrepreneurs who want to start a business.

Who benefits?

MGL is the only Dutch independent regional newspaper that is still on the market. The work is done efficiently and effectively, and the company is profitable. The quality of the newspaper has improved, say some stakeholders. The cross functional teams contribute to breaking the walls and ceilings in the company and improving its innovative capability.

Most salespersons work as account managers now, many of them started as craftsmen and developed to academic level. According to the manager, their employability has improved. For most of the journalists and those employees working in a cross functional team, these changes mean much more professional autonomy, much more interesting work and a challenging job. The dialogue contributes to the feeling of the employees of being heard and taken seriously. The cooperation with external partners and start-ups provides many learning opportunities.

Prognosis

The last years MGL seems to have found another way than that to the 'precipice'. That is the way that goes along innovation including workplace innovation. There will be made a further selection of the 80 ideas delivered by the employees, and that will lead to new innovations and new earning opportunities.

The first positive results can be seen and the fact that there is a positive engagement of the employees and good cooperation between management and the Works Council enhances the chance that MGL will survive despite the challenging circumstances.