

JOMC 719

Leadership in Digital Media Economics

UNC School of Journalism and Mass Communication
Spring 2015

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The title of this course, *Leadership in Digital Media Economics*, is dated. It comes from a time when there was a certain otherness to digital media or “new media.” It is the product of legacy media professionals trying to understand and come to grips with the Digital Revolution in our estimation – part denial; part befuddlement. Today, virtually all media is digital in one way or another. Therefore, for our purposes this semester the subject before us is better understood as *Leadership in Media Economics*.

We will be exploring these avenues, together, for the balance of this semester. This course is about the media. It’s about leadership and management. It’s about confounding change. It’s about paradigm shifts and the people and businesses that produce them. It’s about strategy. It’s about innovation. It’s about creative destruction, or as a friend of ours used to say: “Sometimes you have to shoot your own dawg.” (We know. But it sounds better in the original Southern.) It’s about the economics of the media. And it’s about following the money – now and into the future. Equally important, it’s about a process of approaching leadership when the very foundation of the business or organization may be crumbling, or when opportunity is right there for the taking, or both.

Yes, we will be taking this journey using the media as the prism through which we will consider these issues and others. But the media in this case can be considered only the prism. The critical thinking associated with this course should be applicable to you in any number of other endeavors well outside the world of media. Change leadership is useful no matter the disciple. Thanks to the digital revolution, what organization isn’t facing the need for innovation? And so on. And so on.

Welcome to JOMC 719 and we trust you will enjoy the ride.

Objectives: Media in this country -- during the past century and more -- are engaged in a constant, foot-pounding march toward monopoly and consolidation. That march is halted by brief periods of deconstruction, produced either by the government or market forces or both. Then the march starts all over again. Throw in a paradigm shift and another lull may present itself, but soon enough the boots will be back in formation and the forces of the media are following the sound of the guns of monopoly.

Understanding this is fundamental to understanding media economics. And it's fundamental to the approach we take to leadership within the industry, and the means and measures we undertake to become or remain competitive. The same structure is present in many other businesses and organizations. What strategies do we employ? It's all about the customer, right? Well, not necessarily. And what is creative destruction, anyway, besides an oxymoron? It is the objective of this course to answer those questions and others.

Outcomes: That is the point. Outcomes. As managers and leaders the job is seeing the future – anticipating the future – in many ways. How can we anticipate outcomes in the media industry, for example? And as leaders how can we point businesses and organizations in the proper direction in order to take advantage of those anticipated outcomes? Or produce the outcomes we desire? This course is designed to introduce those questions and that kind of thinking.

Faculty availability: The nature of distance education can be trying for students and faculty, alike. We want to make sure we are available to you to answer any questions or concerns you may have over the course of the semester. First, we will be available on Google Hangout from 9 to 10 a.m. each week on Tuesdays. We will send details to you. Generally, during those sessions both of us will be available to discuss whatever might be on your minds. Second, we will be available to you via email Monday through Friday during business hours, 9 am to 5 pm, EST. You can expect your emails to be answered within 24 hours or sooner. We will be checking email over weekends, periodically. We cannot guarantee a response within 24 hours, however. We are also available over the phone during business hours, Monday through Friday. If we are in class or otherwise unavailable please leave a message and we'll call you back.

The class is being taught as a team. Both professors will be available to you. Our areas of expertise are different, though complimentary in terms of this class. One of the professors may refer you to the other depending on those areas of expertise. Questions about papers or assignments should be sent to both of us. Please don't try to play one professor against the other in terms of assignments and requirements. Both professors should be copied on paper and assignment questions. This is not necessary for general questions about issues and the subject matter.

Class Cadence: Here's how the class will work. Every two weeks for the first 10 weeks of the semester we will be reading a new book. They are listed below. The class will be divided up into two-week modules. The first week we read; the second we discuss. We

may be discussing the book specifically, using case studies from within the text, or we may be applying what we've read to a key media economics issue, like net neutrality. For example, with *The Master Switch* by Tim Wu we'll be applying his work to a discussion of net neutrality. That seems most appropriate since he coined the term and is a major thinker on the subject. So, the first week we read; the second week we discuss. For the last five weeks we will continue to introduce new material through timely articles and the like, but we will be discussing topics surrounding the major papers you will be writing for the class. More on that later.

Class Requirements:

Discussion board participation (40 points)

Participation, particularly considering the distance nature of the class, is critical to achieving the above mentioned objectives and outcomes. Consequently, it will be an important part of an eventual grade. Participation in this class primarily means discussion boards. By this time you are familiar with the approach we have come to understand.

Here's how it will work.

As mentioned, every other week the discussion boards will be opened and we will throw in a piece of red meat for discussion. Topics might include the debate over net neutrality or the proposed mergers involving Comcast and Time Warner Cable or AT&T and DirecTV. In addition, we will be sharing timely trade or popular press articles to move the discussion along. The professors will lead and guide the discussions. With all due respect we are *not* interested in what you think. We *are* interested in what you know. Just commenting on what someone else said won't cut it. At times we will disagree with you and each other. That's the nature of wrestling with unsettled questions. You will be judged on how you move the conversation forward. Discussion boards will be graded every three weeks. That should work out to five grades which will be averaged to decide your final grade. This part of the class will represent 40 percent of a final grade.

Many of you may be wondering how many posts are required. It is not a question we can answer. We would think each student should make posts daily as we attempt to unravel the material and consider the implications. We don't think the posts, necessarily, have to be any longer than a Tweet, but they must move the conversation along. They should get to the heart of the matter quickly and succinctly. We come from what have traditionally been known as the broadcasting and digital media industries where brevity and effectiveness are equally honored. We expect thoughtful, penetrating analysis indicating not only a familiarity with the material, but also at least a suggestion of command. We don't expect *Gone With the Wind*, literally or figuratively. In addition, we would expect enough posts to assure us the student is thoroughly engaged in the discussion. Be involved. Don't try to skate through this portion of the class. The discussion board

should not be a book report. Rather, we are looking, primarily, for applications. Yes, the discussion will include the three or four major points of the literature we are examining that module. But practical application is privileged.

In some measure it depends on what's going on during the semester in terms of our topic at hand, or the news peg we choose in order to consider the literature on the discussion boards. In other words, events may direct our discussion. The options are unlimited. We encourage you to bring those issues to the fore. Don't wait on us. We do ask, however, that the issue be relevant to leadership in media economics. Some of you work in the industry or related industries. Some of you don't. That's fine. But we will continue to push the conversation toward leadership in media economics.

Generally, the discussion board will be opened Monday morning at 9 am on the second week of each module and close Sunday at midnight for the first 10 weeks of the term. For the last five the discussion board will be opened every week during the same hours. (That will be the case for the first, partial week, but the boards will remain open through the second full week that module, only.) The boards will close Monday morning at 9 a.m. of the second week of each module.

Final Project (50 points)

The final project for JOMC 719 will be an 18-20 page paper applying the principles, characteristics and economic impact of the current digital revolution to a topic of your choose.

Using all the materials from the course - readings, discussions, videos, etc., as well as research and study of the topic -- explain how the ongoing changes in the media environment have made impacts in the topic area. More importantly, the project requires an explanation of how one perceives the topic area will be impacted in the next five to 10 years. Yes, predicting the future is quite difficult, but it is imperative that leaders are able to look ahead in order to make decisions now.

In essence, the student must be able to make sense of the materials and issues presented and discussed during this class, and be able to apply and explain how an industry or segment of an industry or a community will be affected now and in the future.

For example, one might consider net neutrality and how it will impact a specific industry in the event of new legislation or a change in regulation. Or, one might look at the impact of cloud-based computing services and the ramifications (financial, logistical, and social) on an industry or community. Perhaps consideration of communicating a message has been impacted (financially, logistically, and socially) and will be impacted (and changed) in the future as social media expands and becomes more embedded in the marketing process. Essentially, how will this change alter the ability to communicate and market,

effectively? A paper considering the implications of a Time Warner Cable/Comcast merger on a specific industry or community would be appropriate, as well.

This paper is due April 27 by 5 pm. It should be double spaced and in 12-point, Times Roman type. Please use the MLA citation system, only. No paper will be accepted with another citation system.

Paper Proposal (10 Points)

You must submit a one paragraph topic for your final paper that clearly shows how you plan to connect the topic to media economics. The topic description is due by March 1 at 5 p.m.

A full topic treatment proposal is due by March 29 at 5 pm. This submission must be at least four pages in length. The student should clearly articulate the basic thesis of how changes in the digital media economy are impacting your topic. The student should reference at least five sources in this topic submission, and include at least five additional sources to be used in the final paper.

The paper proposal will represent 10 percent of the final grade.

Course elements and percentage of the final grade:

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|---|------------|
| • Discussion Board Participation | 40% |
| • Final Project | 50% |
| • Paper Proposal | 10% |

Late Work: Late work will not be accepted. Any work not turned in on time will receive a zero (0) grade.

Honor Code: Each student in the class is expected to conduct himself or herself within the guidelines of the University Honor Code. All academic work should be done with the highest level of honesty and integrity that this University demands. The honor code will be enforced.

Accreditation: The School of Journalism and Mass Communication's accrediting body outlines a number of values you should be aware of and competencies you should be able to demonstrate by the time you graduate from our program. Learn more about them here:

<http://www2.ku.edu/~acejmc/PROGRAM/PRINCIPLES.SHTML#vals&comps>

No single course could possibly give you all of these values and competencies; but collectively, our classes are designed to build your abilities in each of these areas. In this

class, we will address a number of the values and competencies. Specifically, this course is designed to help you think critically, creatively and independently

Required Reading:

The Master Switch: The Rise and Fall of Information Empires, Tim Wu, Random House, 2010. *The Master Switch* will serve as a foundation for the class as we consider media economics. You will be introduced to what Wu calls The Cycle. In addition, the book does a good job of considering the role the government plays in picking winners and losers in the media industry. That role continues to this day. Think about net neutrality. In addition, the book will be a foundation for the remainder of the class. In other words, many of you do not come to the table with a background in media, generally, or digital media, specifically. Wu's book will give you a frame of reference.

Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age, Susan Crawford, Brilliance, 2014. "Ten years ago, the United States stood at the forefront of the Internet revolution. With some of the fastest speeds and lowest prices in the world for high-speed Internet access, the nation was poised to be the global leader in the new knowledge-based economy. Today that global competitive advantage has all but vanished because of a series of government decisions and resulting monopolies that have allowed dozens of countries, including Japan and South Korea, to pass us in both speed and price of broadband. This steady slide backward not only deprives consumers of vital services needed in a competitive employment and business market—it also threatens the economic future of America."

The Big Switch: Rewiring the World, from Edison to Google, Nicholas Carr, W.W. Norton & Co., 2013. "While it may seem that we're in the midst of an unprecedented technological transition, Carr posits that the direction of the digital revolution has a strong historical corollary: electrification. Carr argues that computing, no longer personal, is going the way of a power utility. Manufacturers used to provide their own power (i.e., windmills and waterwheels) until they plugged into the electric grid a hundred years ago. According to Carr, we're in the midst of a similar transition in computing, moving from our own private hard drives to the computer as access portal. Soon all companies and individuals will outsource their computing systems, from programming to data storage, to companies with big hard drives in out-of-the-way places. The social and economic consequences of this transition into the utility age fall somewhere between uncertain and grim, Carr argues. Wealth will be further consolidated into the hands of a few, and specific industries, publishing in particular, will perish at the hands of crowdsourcing and the unbundling of content."

The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail, Clayton M. Christiansen, Harvard Business Review Press, 1997, 2000. Unlike *The Master*

Switch, where the government may be picking winners and losers, Christiansen takes the more traditional look at how new technologies (digital media being a primary player) act as disruptors and catch even good companies asleep at the switch. One interesting proposition Christiansen offers is that customers—good customers—play a major role in some of these failures. In other words, your best customer may lead to your demise.

Leading Change, John P. Kotter, Harvard Business Review Press, 2012. “By outlining the process every organization must go through to achieve its goals, and by identifying where and how even top performers derail during the change process, Kotter provides a practical resource for leaders and managers charged with making change initiatives work.”

Who Moved My Cheese? An A-Mazing Way to Deal with Change in Your Work and in Your Life, Spencer Johnson, Putnam, 1998, 2002. “*With Who Moved My Cheese?* Dr. Spencer Johnson realizes the need for finding the language and tools to deal with change. Most people are fearful of change because they don't believe they have any control over how or when it happens to them. Since change happens either to the individual or by the individual, Johnson shows us that what matters most is the attitude we have about change.” This is a quick and delightful read. You may remember Johnson's name from *The One Minute Manager*.

Other readings: The reading of the *New York Times* and the *Wall Street Journal* is encouraged, particularly the *Times* on Mondays. David Carr writes the Media Equation column for the business section that day which focuses on media issues including print, digital, film, radio and television.

Articles will be introduced from time to time, as mentioned earlier. Many of the issues will be timely. Industry trade vehicles may be useful to you, as well. We urge you to become familiar with *Broadcasting & Cable*, *Digiday*, *GigaOm*, *TV Today* and *Connect 2 Media and Entertainment*. All are available online. They could be good sources for final paper topics and research.

Weekly Schedule

Syllabus: The professors reserve to right to make changes to the syllabus. These changes will be announced as early as possible so that students can adjust their schedules, accordingly.

Week 1, January 7-11: Read *The Master Switch*, Tim Wu.

Week 2, January 12-18: Discussion board, *The Master Switch*, net neutrality, and winners and losers.

Week 3, January 19-25: Read *Captive Audience*, Susan Crawford.

Week 4, Jan. 26-Feb. 1: Discussion board, *Captive Audience*, The Comcast/Time Warner Cable merger. Is it in the public interest? Does the AT&T/DirecTV proposed merger help?

Week 5, Feb. 2-8: Read *The Big Switch*, Nicholas Carr.

Week 6, Feb. 9-15: Discussion board, *The Big Switch*, Does the proposed AT&T/DirecTV merger soften an approved Comcast/Time Warner Cable deal? How has Comcast's purchase of NBCUniversal worked out? Horizontal integration versus vertical integration.

Week 7, Feb. 16-22: Read *The Innovator's Dilemma*, Clayton Christensen.

Week 8, Feb. 23-Mar. 1: Discussion board, *The Innovator's Dilemma*. Disruptive and sustaining innovation. **Paper Topic due 5 pm March 1.**

Week 9, March 2-6: Read *Leading Change*, John P. Kotter.

Week 10, March 6-15: Spring Break

Week 11, March 16-22: Discussion board, *Leading Change*, Industry article or case study TBA.

Week 12, March 23-29: Read *Who Moved My Cheese?* Spencer Johnson. **Paper proposal due 5 pm March 29.**

Week 13, March 30-April 5: Discussion board, *Who Moved My Cheese?* Industry article or case study to be announced.

Week 14, April 6-April 12: TBA

Week 15, April 13-19: TBA

Week 16, April 20-26: TBA

Week 17, April 27: Final Project due by midnight April 27.