

# MEJO 719

## Leadership in Digital Media Economics UNC Hussman School of Media and Journalism Spring 2020

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### Overview

We are living through a period of immense economic disruption in the media industry. The creation of the Internet and all that it has wrought – interconnectivity, immediacy – set in motion the destruction of the business models that supported traditional news organizations such as newspapers, broadcast television and radio for decades. By taking this course, students will learn what it takes to survive and thrive leading media and technology companies in this tumultuous era.

We will examine in depth the critical strategic choices facing executives in both start-ups and established companies. Students will also be introduced to applied concepts in organizational behavior, managing change and innovation. In short, students will be taught how to think financially, strategically and organizationally when leading digital media companies through a turbulent age of change.

This course begins by examining the broad economic issues facing the media industry – including the changing dynamics of consumer behavior, pricing, market segmentation, economic cycles and global competition. In the second half, we will focus more specifically on the challenges and opportunities for specific industry segments, including newspapers, magazines, broadcasting and online. While the primary focus of this class will be on the changing economics affecting 21st century news organizations, we will also study the economic drivers of other content providers – such as music companies, movies, online aggregators and commerce sites – for lessons that can be applied across industry segments.

## Objectives

- Develop a nuanced understanding of the critical decision-making skills you will need to succeed in the media industry in the 21st century.
- Develop a framework for better assessing future opportunities and risks of business enterprises and innovations they will encounter or are contemplating.
- Learn how to lead and manage in an era of disruption and innovation.

## Discussion

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.

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. 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 discipline. Thanks to the digital revolution, all organizations are facing the need for innovation.

Welcome to MEJO 719! I trust you will enjoy the ride.

## 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. I want to make sure I am available to you to answer any questions or concerns you may have over the course of the semester. I will be available by email at the address at the top. You can expect your emails to be answered within 24 hours or sooner. I will be checking email over weekends, as well.

You are also welcome to call me on my mobile phone (number above) and leave a voicemail. Or text me on that number. I will return the call as soon as I am able.

**Class Cadence:** Here's how the class will work: Every two weeks for the first 12 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. I will summarize my thoughts and analysis and set the stage for the discussion with a short video with every module.

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. For the last two weeks, I 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 activity on the discussion boards. Here's how it will work:

As mentioned, every other week the discussion boards will be opened and I will throw in a piece of red meat for discussion. Topics might include the changing landscape of media consumption and consumers' shift to mobile devices. In addition, we will be sharing timely trade or popular press articles to move the discussion along. I 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 one another and that's OK. 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 two weeks. That should work out to six grades. Those six grades will be averaged to decide your final grade for this requirement, which will represent 40 percent of a final grade.

Many of you may be wondering how many posts are required. There is no easy answer. Each student should make **at least two posts for each module** as we attempt to unravel the material and consider the implications. The posts don't have to be long, but they must move the conversation along. They should get to the heart of the matter quickly and succinctly. Since many of us come from what have traditionally been known as the broadcasting and digital media industries, brevity and effectiveness are equally honored. Aim for thoughtful, penetrating analysis indicating not only a familiarity with the material, but also at least a suggestion of command.

In short, you are expected to contribute enough posts to assure us that you are 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 in that module. But practical application is privileged.

The focus will likely depend 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 for me or someone else. Just make 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 Saturday morning at 9 am on the second week of each module and close the following Sunday at midnight.

### **Final Project (50 points)**

The final project for MEJO 719 will be a 15-20 page paper applying the principles, characteristics and economic impact of the current digital revolution to a topic of your choosing.

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 3-5 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 the growing shift to over-the-top television and how it will impact companies that own TV stations. 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 how 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?

**This paper is due Thursday, April 30 by 5 pm.** It should be double-spaced and in 12-point, Times Roman type. Please use the MLA citation system. (NOTE: If you have a creative idea for the presentation of this project, please inquire. I've accepted alternative forms in previous years but permission must be granted in advance.)

### **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 Friday, Feb. 21 at 5 p.m.

A full topic treatment proposal is due by Friday, March 27 at 5 pm. This submission will be two 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:

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.

**Grading:** All master's and doctoral programs administered through The Graduate School operate under the same grading system. The graduate grading scale in use at UNC-Chapel Hill is unique in that it cannot be converted to the more traditional ABC grading scale. Graduate students do not carry a numerical GPA.

Students will receive one of the following grades on all work turned in, and as a final grade:

- H = truly outstanding work, and is given rarely.
- P = quality work that a student should be proud of.
- L = sub-standard work and cause of concern.

**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 UNC Hussman School of Journalism and Media'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://journalism.ku.edu/acejmc-professional-values-competencies>

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:**

**Three Box Solution: A Strategy for Leading Innovation**, Vijay Govindarajan, Harvard Business Review Press, 2016. Think of this as the next step in confronting "the innovator's dilemma," a famous business axiom and book that has been referenced countless times by leaders facing disruption. The Three Box Solution helps us organize our teams and strategies to confront the disruption, whether it's technology, culture or something else entirely. This is a forward-looking book that can help us think about how certain media companies or industries could better approach their current challenges. It will also help you think differently about your current (or past) organization's challenges and give us a way to frame a path forward that is tangible and effective. It will also give us a common vernacular to frame future discussions in this course, which is always helpful (and why are reading this one first).

**The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses**, Eric Ries, Crown Business, 2011. This has been the startup owner's manual and bible in Silicon Valley and throughout the tech startup world since it was published. The lessons have become principles of business. Build as little as you can, as fast as you can, and test the audience to see if you are on the right track. Then adjust your thinking in and build a little more. And test again. The customer-centric business model is the new way products and services are born, replacing the age-old method of task force committees and months spent building something that has never been tested with consumers.

"Eric has created a science where previously there was only art. A must read for every serious entrepreneur—and every manager interested in innovation." —Marc Andreessen, co-founder of Andreessen Horowitz, Opsware Inc. and Netscape

**Entrepreneurial Journalism: How to Build What's Next For News:** Mark Briggs, CQPress, 2011. The massive disruption of the news industry has led to massive opportunity for news entrepreneurs. Journalists have found a way to take control of their own destiny by launching new enterprises and projects that meet consumers' needs better than legacy media companies, thanks to the shift in consumer behavior, the introduction of new technology platforms and the

nimble nature of operating a startup. We will explore the secrets of successful news startups (including how they're making money) and learn how to be an upstart yourself, building an innovative and sustainable news business from scratch. Yes, my book is a little dated now but the principles of what it explores and the experiences of media entrepreneurs are still valuable today.

**Switch, How to Change Things When Change is Hard:** Chip and Dan Heath, Crown Business, 2010. Innovation requires change. To help our collective mindset shift to one of change - and effective change - the Heath brothers will help guide us on a tour of how some people and companies executed change in their respective worlds.

“Whether you're a manager, a parent or a civic leader, getting people to change can be tricky business. In *Switch*, brothers Chip and Dan Heath--authors of the best-selling *Made to Stick*--survey efforts to shape human behavior in search of what works...Even when change isn't easy, it's often worth making.” --Time

“Dan and Chip Heath have done it again. Any leader looking to create change in his organization need not look beyond this little book. It is packed with examples and hands-on tools that will get you moving right away. And it is really a fun read.” — BusinessWeek.com.

**The Forgotten Half of Change: Achieving Greater Creativity Through Changes in Perception,** Luc de Brabandere, Diversion Books, 2016. An enlightening approach that is so relevant in today's disruptive world. Effecting change in an organization requires the people in that organization to believe in that change and that they - and the organization - can achieve change first. Then come the details.

“To make a long story short, a strategic vision is a representation—an ambitious image of a future state that is radically preferable to the current state. It becomes a reference and thereby provides a set of concepts that allow all employees to approach their work thoughtfully and effectively.” - Luc de Brabandere, author.

**Primed to Perform: How to Build the Highest Performing Cultures Through the Science of Total Motivation,** by Lindsay McGregor and Neel Doshi, Harper Business, 2015. Following two great books on leading change, we shift the focus to motivation and leadership. This book has been enthusiastically embraced by every media company I have introduced it to -- the science and the discoveries are a refreshing change for executives, managers and employees alike. We will discover and discuss the power of leading with “play, purpose and potential” rather than traditional rewards and the power this new approach can have for an organization needing ambitious innovation.

**Other readings:** Articles will be introduced from time to time, as mentioned earlier. Many of the issues will be timely. Make a habit of visiting The New York Times and the Wall Street Journal.

Industry trade publications may be useful to you, as well, so you are urged to become familiar with Broadcasting & Cable, Digiday, ReCode and Nieman Lab. All are available online. They could be good sources for final paper topics and research as well.

## **Weekly Schedule**

The professor reserves the 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 8-17: Read Three Box Solution, Vijay Govindarajan.

Week 2, January 18-26: Discussion board: Three Box Solution. How does the Three Box Solution apply to the media landscape, especially as it relates to news companies? What are some examples of media companies filling up Box 2 and Box 3?

Week 3, January 26-Feb. 1: Read The Lean Startup, Eric Ries.

Week 4, Feb. 1-9: Discussion board: The Lean Startup. How can media companies learn from the lessons in The Lean Startup? How can organizations that are not startups incorporate the Lean Startup principles?

Week 5, Feb. 9-15: Read Entrepreneurial Journalism, Mark Briggs.

Week 6, Feb. 15-23: Discussion board, Entrepreneurial Journalism. How have news startups changed the landscape for big media companies? What effect have they had on consumers and advertisers?

**\*\* Paper Topic due Feb. 21 by 5 pm.**

Week 7, Feb. 23-29: Read Switch, Chip and Dan Heath.

Week 8, Feb. 29-March 8: Discussion board, Switch. Leveraging what you have learned so far in this class about innovation and change in the media landscape, and comparing it with your own experience in your career, which stories in Switch resonate with you? How so?

## **Week 9, March 9-13: Spring Break**

Week 10, March 16-21: Read Forgotten Half of Change, Luc de Brabandere.

Week 11, March 21-29: Discussion board, Forgotten Half of Change. What can we apply to our organizations about change and the perception of change? What experiences can you draw



upon to help those in your current - or future - organization embrace change based on the learnings from this book?

**\*\* Paper proposal due March 27 by 5 pm.**

Week 12, March 29-April 4: Read *Primed to Perform*, by Lindsay McGregor and Neel Dosh.

Week 13, April 4-12: Discussion board, *Primed to Perform*. How can media companies leverage the science of total motivation (TOMO) to propel their strategy toward effective innovation? How can leaders implement the concept of “play, purpose, potential” in their organizations?

Week 14, April 13-24: Read selected articles, TBA.

Week 15, April 24-30: Work on final paper

**\*\*\* Week 16: Final paper due Thursday, April 30 by 5 pm.**

## **UNC Honor Code**

It shall be the responsibility of every student at the University of North Carolina at Chapel Hill to obey and to support the enforcement of the Honor Code (<http://instrument.unc.edu>), which prohibits lying, cheating, or stealing when these actions involve academic processes or University, student, or academic personnel acting in an official capacity.

## **Students with Disabilities:**

Students with diagnosed or suspected disabilities that might impact their performance in the course should contact the Department of Accessibility Resources and Service (ARS) to determine whether and to what extent services or accommodations are available for this course. It is the goal of ARS to “ensure that all programs and facilities of the University are accessible to all members of the University community.” If you think this might apply to you, please contact ARS by telephone at 919-962- 8300 or visit the ARS website at <https://accessibility.unc.edu/about-ars> for additional information.

## **Diversity and Inclusivity:**

The University is committed to fostering a diverse and inclusive academic community, and it prohibits discrimination and harassment. Please review the University policy statements on diversity and inclusivity, and prohibited harassment and discrimination, both in The Graduate School 2016-2017 Record available online at <http://www.unc.edu/gradrecord>.

### **Online Course Statement:**

1. By enrolling as a student in this course, you agree to abide by the University of North Carolina at Chapel Hill policies related to the Acceptable Use of online resources. Please consult the Acceptable Use Policy (<https://its.unc.edu/files/2016/02/Acceptable-Use-Policy.pdf>) on topics such as copyright, net-etiquette and privacy protection.

2. As part of this course you may be asked to participate in online discussions or other online activities that may include personal information about you or other students in the course.

Please be respectful of the rights and protection of other participants under the UNC Chapel Hill Information Security Policies (<http://its.unc.edu/about-us/how-we-operate>) when participating in online classes.

3. When using online resources offered by organizations not affiliated with UNC Chapel Hill, such as Google or YouTube, please note that the Terms and Conditions of these companies and not the University's Terms and Conditions apply. These third parties may offer different degrees of privacy protection and access rights to online content. You should be well aware of this when posting content to sites not managed by UNC Chapel Hill.

4. When links to sites outside of the unc.edu domain are inserted in class discussions, please be mindful that clicking on sites not affiliated with UNC-Chapel Hill may pose a risk for your computer due to the possible presence of malware on such sites.

5. Online courses may at times require Web-based assignments that are public in nature and may be viewed by third parties online. This is especially true in social media and blogging platforms. Be mindful of the information you choose to share publicly as part of your assignments. Under the Federal Family Education Rights and Privacy Act of 1974 (FERPA) and UNC's FERPA regulation, a student's education records are protected from disclosure to third parties. However, FERPA protection does not extend to material shared publicly by students.