BIZCOMMUNITY

There's more to newspaper financial reports than you might think...

By Anton Harber

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Who still takes three pages in the newspaper for their financial statements? The newspaper does, of course - and sometimes the statements contain nuggets of more interesting information - not strictly financial.

It was no surprise that the Times Media Group's financial statements were spread over three full pages in all of their newspapers on Monday. After all, if they don't see the virtue of continuing to publish long and detailed newspaper announcements when it is no longer compulsory, who else will?

But it was also interesting for some of the detail. I can leave the financial elements to greater experts, but there were some intriguing bits for media watchers.

When it comes to editorial matters, CEOs and chairmen usually make a few bland comments about their commitment to finance excellence and training, and suchlike, but are generally at pains to show that they leave matters of content to their editors. Maybe they might comment on media freedom issues or, at a time like this when they are under political pressure, you would expect them to deal with the topical issue of transformation in the media industry. That is what one might expect of a listed media company, particularly when a newcomer to media is leading it.

But instead...

This is what appeared this week under the pen of CEO Andrew Bonamour and chair Kuseni Dlamini: "Over the past decade, South African newspaper editors have generally been drawn from a pool of political reporters. This has resulted in increasing bias towards news of political interest, often catering to the political elite at the expense of the more varied interests of readings in our target market. This trend reached its nadir in the run-up to the ANC Mangaung Conference when tens of thousands of column centimetres were devoted to stories leaked by one or other of the competing factions. Very few of the stories were either accurate or insightful, and even fewer were of interest to ordinary citizens. It is no wonder that this period was characterised by an alarming slump in newspaper circulation overall."

It is not usual for a CEO and chair to put into their financial results a detailed and blunt critique of the news media, let alone their own titles and editors. They are saying here not just their papers carry too much politics, but that their reports are inaccurate, lack insight and of little interest or use to readers. They may be right, but one has to wonder why they choose to say this in public, rather than in their internal interactions.

I cannot remember such a stinging public rebuke by a newspaper manager of their sitting editors, without qualification or exception.

New blood?

I wonder if the editors share his view that their myopic obsessions are to blame for the decline in newspaper circulations? It is worth noting that less political titles, such as the Daily Sun, have fared no better in this period.

Bonamour and Dlamini said the seven new group editors (out of their 10 titles) were chosen for their wider experience and with a strict brief to cater to their audiences' wider interests. In fact, a close look at the appointments suggests that the politicos were promoted from smaller newspapers to bigger ones, or from deputy editorships to editorships. I could see no dramatic infusion of new blood from non-political backgrounds.

So it will be interesting to see if the bosses' call for an editorial shift has an impact on the coverage of papers like the Sunday Times and Sowetan.

Slump or stable... which is it?

There is an intriguing contradiction in what they say. Here they talk of "an alarming slump" in circulation but in the section of the report dealing with their titles, they say "the core circulation of all our wholly-owned titles has either grown or remained stable". So which is it?

The trick, of course, comes from comparing figures from quarter to quarter, not from year to year. Choosing what and how to compare is the oldest trick of the statisticians. In fact, all newspaper circulations are down significantly over the last two years.

Bonamour has won praise - and a rising share price - based on bringing strong leadership and clear direction to what was a rudderless ship, cutting costs, closing or selling non-media assets and paying down debt. Some would call it asset stripping, but it is hard to defend the holding of assets that are poor performers and/or non-core.

At the same time, he is investing in media products, such as that part of Business Day/Financial Mail (BDFM) that they did not own and a Ghanaian television operation.

What will be left will be a smaller but stronger media-focused group. The Sunday Times remains the big cash producer, but BDFM is struggling to turn around a loss-making situation. The shift into digital media is tricky and tough, though the report plays this down.

Some tasty morsels in that spaghetti

Interestingly, Bonamour is making it clear he is not going to throw money into digital: "TMG's strategy in this sphere is not to be the pioneer and spend vast sums in technology, platform and infrastructure development, for no real return". This is in direct contrast to their rival Naspers, which follows Koos Bekker's spaghetti strategy: "Throw lots of it against the wall, and see what sticks. If it sticks, spend money; if it doesn't, close it."

It is worth noting that Naspers shares are around R1,000 each on the basis of some of that spaghetti sticking.

Bonamour says that he wants to be in the attractive area of radio, where the group has always been limited by cross-ownership restrictions, particularly since the Sunday Times is a dominant national title. It is going to be interesting to see how he finds a way in.

And he is expanding the group's television interests, planning new channels and investing in other African countries, such as Ghana. This is a competitive area at the moment, with expansion plans by all the major players.

There is clearly a new energy in the Times Media Group, though some of it must have been used up in trying to fill out a full two pages of commentary to demonstrate the virtues of listed companies continuing to place detailed financial statements in newspapers. To fill the space, the report goes as far as naming and praising individual columnists (not me, I hasten to say).

Clearly Bonamour is not paid by the word, like us humble columnists.

ABOUT ANTON HARBER

Anton Harber, Wits University Caxton Professor of Journalism and chair of the Freedom of Expression Institute, was a Weekly Mail (now Mail & Guardian) founding editor and a Kagiso Media executive director. He wrote Diepsloot (Jonathan Ball, 2011), Recht Malan Prize winner, and co-edited the first two editions of The A-Z of South African Politics (Penguin, 1994/5), What is Left Unsaid: Reporting the South African HIV Epidemic (Jacana, 2010) and Troublemakers: The best of SA's investigative journalism (Jacana, 2010).

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