

Surviving changes in ownership: How one community newspaper coped with three new owners in two years

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Stew Rieckman has learned a lot about journalism in his more than 30 years of working for the Oshkosh (Wis.) Northwestern. From his days as a prep sports writer in 1969 until today in his position as the executive editor, Rieckman has done about everything that could be expected of a community journalist.

That is until the independent, family-owned newspaper was sold or traded-not once, but three times in two years-to large media chains with numerous other publications.

“I never knew how to run a spreadsheet until I became a Gannett editor,” Rieckman said recently, as he called up the news space allocation data on his computer. When the newspaper was independently owned, he was not restricted to such a rigid monthly space budget like he is now.

Rieckman is just one of many journalists around the country who have had to adapt to different styles and philosophies of journalism because newspaper ownership has been passed from a small, local business to a big, national corporation. But few other editors and papers have been forced to endure this kind of change in such a rapid-fire manner.

How did the editors and staff deal with the constant churn in ownership? Was morale affected by the changes? Was there much turnover? Was the local news coverage or the editorial policy impacted greatly? How did readers react to the changes?

This paper takes a close look at these and other issues that the Northwestern encountered while doing the ownership shuffle.

The Background

What transpired from 1998 to 2000 might rival any story that has been covered in the 133-year history of the newspaper. The two families that owned the Northwestern, which until it was

sold proclaimed in print to be “Locally Owned Since 1868,” brought in a husband-wife team of consultants from Georgia in the fall of 1997. Michael E. Phelps and Louise D. Cutler assumed the roles of acting publishers. Their mission, as presented to the staff and the community, was to enhance the Northwestern and to make it a better publication.

That was true, but behind the scenes the mission really was to boost circulation and to make the newspaper more attractive and thus marketable to prospective buyers.

“It was a way to boost the numbers,” said Ann Goldthwaite-Kriz, the copy desk chief who has worked for the paper since 1991. “None of us were thinking of that at the time. We thought they were increasing readership for a good cause.”

When Russell F. Sprung, the president and publisher of the Northwestern, retired in September 1997, Rieckman said, “the kids (the owners) asked the consultants to search for a new publisher. They told the staff that they were looking to solidify the newspaper's position in the marketplace.”

And for the next seven months the consultants did just that. Perhaps the biggest change was an expansion of the news hole. Some of the added space was used for agate type that helped to get the names of more local people in the paper. In addition to the traditional listings of births, marriage licenses and divorces, other public records listings including court sentencings and real estate transactions were added.

In a separate story on the day that the Northwestern was sold to Ogden Newspapers Inc., under the headline “Months of improvements led up to newest change,” other added coverage items were cited. Those included additional national columnists, and a Valley Voices column where readers could call in with anonymous comments that were then printed in the paper. The

newspaper also was zoning certain pages to provide more local news for readers in surrounding communities.

“It was very reader-intensive,” city editor Sean Johnson said. “We had a pretty generous-sized staff already for our circulation, and we covered more events because we needed to keep our people busy.”

At the same time, the consultants spent more money on staff training, co-sponsored a variety of community events, and donated money to support a journalism scholarship at the University of Wisconsin-Oshkosh.

As Rieckman put it, “We thought we had died and gone to heaven during those months.”

But the rumor mill was working full time in the newsroom. Staffers knew that the paper might be sold soon, and the main concern seemed to be that the buyer would be Thomson Newspapers. Thomson already owned several papers in Wisconsin, including the Appleton Post-Crescent north of Oshkosh and the Fond du Lac Reporter just to the south.

Thomson had coveted the Northwestern for years, but the family owners said they wanted the paper to continue as a family-owned business and not to become part of a corporate chain. “That’s why they selected Ogden,” Rieckman said, “because it was owned by the Nutting family.”

On April 24, 1998, the banner headline on Page 1 read, “Northwestern goes to new family: West Virginia company buying local newspaper.” The lead paragraph emphasized the family angle. It said, “The Oshkosh Northwestern, a family-owned newspaper since 1868, is being sold to a family newspaper company based in Wheeling, W.Va”

In the story, it also was noted that the owners of the Northwestern said a main factor in their decision to sell to Ogden was its record as a family newspaper company.

The members of the Schwalm and Heaney families that owned the Northwestern had kept their promise by selling the business to Ogden, which was privately held by the four members of the Nutting family. But Ogden was far from being a locally based operation — at the time it had 31 daily newspapers in nine states, weekly newspapers and shoppers. In reality it was a family chain of newspapers, as opposed to a corporate chain of publications.

As is the case with any business transaction, once a property has been sold the seller has no control over what the buyer might do with it later. In this instance, change came swiftly. Two months later, in June 1998, Ogden traded the Northwestern to Thomson

Newspapers in exchange for four of its papers in other states. Whether this transaction had been a behind-the-scenes plan all along remains a matter of debate.

Regardless, Thomson now had the final piece of the puzzle that it needed to make its strategic marketing group strategy, in which clustered papers shared resources, work in Wisconsin. It now owned the daily newspapers in Oshkosh, Appleton and Fond du Lac, as well as those in Manitowoc, Marshfield, Sheboygan, Stevens Point and Wisconsin Rapids.

But in February 2000, Thomson announced that it was selling all of its newspaper properties, except for the Toronto Globe and Mail, its flagship operation. And in July of that year, Gannett Company Inc. purchased the eight newspapers that Thomson owned in Wisconsin, including the Northwestern.

The Impact

To assess the impact that the changes in ownership had on this community newspaper, it is important to look at how a local, independent publication differs from a chain operation. The Northwestern survived the transition, but it is not now, nor is it likely to ever again be, the same

kind of publication that it was five years ago. In some ways that is likely to benefit the readers and subscribers, but in other ways it probably will not.

Staffing: One area of concern is how a staff will react to such dramatic changes. For the Northwestern, there was no mass exodus of employees when Ogden, then Thomson and later Gannett took over. But there was concern, and attrition, in the newsroom.

“The staff wanted to know who Ogden was and tried to find out about the company, and that was very disruptive,” Rieckman said. “People got upset about what they saw on Web sites. We tried to get them calmed down. Some started sending out resumes because they didn’t want to work for a chain newspaper. We all feared for our own jobs.”

There were some changes in management, but reporters and staff editors that did depart, for the most part, would have moved on regardless of the ownership shift.

Gina Mangan, for example, an education writer who had worked for the Northwestern since 1994, took a job last year as the education director for the local Chamber of Commerce. But her main reason for leaving was to have more stable working hours and because she has children at home.

“There was a change,” Mangan said of the move from family to group ownership, “but I don’t think I felt it that greatly as a reporter. There was a change in the main office, because we went down from 12 reporters to 8 or 9. We were picking up the slack, and the expectations changed for the number of stories you needed to do.”

The staff has been downsized with the change to corporate ownership. Rieckman said that before the sale, the Northwestern had 34 editorial staffers; now there are 26. Included in that total, the number of reporters assigned to the city editor has dropped from 12 to seven, and the number of copy desk editors has gone from eight to five.

While such a decrease to meet corporate staffing targets would have an impact on the number of news events that could be covered, not everyone saw it as a negative move.

“Once we were part of a group it became apparent that we were overstaffed,” Johnson said. He said that as the number of reporters was reduced, through attrition and a freeze on hiring, the size of the news hole also was reduced to levels that were more common before the consultants arrived. “We couldn’t cover as much,” he noted, “but we also no longer had as much space to fill.”

Rieckman added: “We had to learn to cover the community with different resources. The public has perceived that the paper isn’t what it used to be, and they are right.”

The loss of staff members to larger newspapers that pay better salaries is always a struggle for community publications, but the ownership change also complicated the hiring process. In some cases, prospective hires were wary because of the state of flux.

“We brought in a guy to interview for a sports position,” Rieckman said, because there had been a complete turnover in that department. “We didn’t tell him about all of the vacancies at first. We gave the sales pitch that he could recruit his own staff. But after about 10 minutes he just left, and we never heard from him.”

At one point, after downsizing had been ordered by Thomson, there were six vacancies in the newsroom, Rieckman said. “We were just trying to figure out how to put out a daily newspaper.”

News content and coverage: It is not easy to assess how news coverage changed as a direct result of the new owners. However, it is clear that with fewer reporters and a more restricted news hole, the content would be affected.

The most noticeable difference, at least from the family owners to ownership by Thomson and Gannett, is the sharing of news stories produced by sister publications in the state, and stories produced by the companies' news services.

Now, readers find sprinkled throughout the local pages of the Northwestern credit lines below bylines that say "For The Northwestern" instead of "Of The Northwestern," and tag lines at the end of stories that read "...writes for the Appleton Post-Crescent," or one of the other chain publications.

Does this mean that the Northwestern is doing less local reporting? The answer is no, said Johnson, the city editor.

"We can't cover a swath like we used to," he said, "but that is not necessarily a bad thing. We are more judicious now in our coverage."

Johnson said he uses stories written by reporters at other Gannett papers that cover the northern part of Winnebago County, but noted that his staff was not able to cover that area well previously. He added that the Northwestern still produces enterprise articles about surrounding communities when the news warrants, and it continues to do computer-assisted reporting.

The Northwestern, as it did in the past, uses national and world news items from the Associated

Press, and feature stories from the Knight Ridder News Service and King Features Syndicate. In addition, the newspaper now also uses the company's Gannett News Service and stories with bylines from USA TODAY.

"We get the Gannett News Service budget of stories in advance," Johnson said, "so we can localize their stories if we want. We can cannibalize their copy."

Goldthwaite-Kriz added: “We still cover what is important to Oshkosh. Some people will call and say why don’t you just become the Appleton Post-Crescent, but it doesn’t make sense financially for us to cover the same story that another Gannett paper is writing.”

Mangan, the former education reporter, said she has seen some change in the paper’s writing style. “We were more community-oriented before,” she said, “and now it seems to be whatever goes. They are more skeptical now, but it sometimes borders on cynicism.”

Editorial policy: When it was a family-owned newspaper, the Northwestern was conservative editorially. And James Fitzhenry, who became the editorial page editor shortly before the consultants were brought in, has seen a change in philosophy.

“Under the family, it was a conservative paper and the publisher wanted the editorial page to reflect that,” said Fitzhenry, who was recently promoted to managing editor. “Gannett wants a diversity of voices, and is always looking for other voices for the page.”

He said that through all of the ownership changes, decisions concerning the opinion page have been made by the local editorial board, of which he is a member.

“There was no outside direction on what positions to take,” Fitzhenry said. “The publisher obviously has input, but Gannett has made it clear that all decisions are to be made locally.”

One feature on the page, the Valley Voices column that was introduced by the consultants, has been discontinued since Gannett assumed ownership.

“I never felt comfortable with it,” Fitzhenry said. “When Kevin Doyle came in last year as publisher, we did away with it. We had public officials calling in with comments on political issues. It just degenerated after a while.”

Circulation: The effort by the consultants to boost circulation and interest in the Northwestern to attract prospective buyers succeeded. But in the long run, circulation has fallen.

Rieckman said that the newspaper's daily circulation, now at 24,400, is down about 1,000 copies from 1995. The Sunday issue circulation is down about 1,200 papers, to 26,700.

One reason for the decrease in circulation might be attributed to the return to a more profitable ad/news ratio, which has meant a cutback in the amount of space for local news copy.

"The agate listings were popular with our readers," Johnson said. "We would get calls all of the time asking why we didn't have the real estate listings." Even though subscribers were reading those listings, the Northwestern could no longer afford to give reporters the time needed to gather the information.

Consolidated operations: A major obstacle that must be overcome with corporate ownership is the consolidation of printing operations. When there is one local owner and one press, the newspaper is usually printed on site. But with Thomson and now with Gannett, business practices dictate that more than one newspaper be printed on a press. Why operate presses in Manitowoc, Sheboygan and Oshkosh when those newspapers can be printed in Appleton or Fond du Lac.

Financially, that is sound policy. But it creates problems with deadlines and the delivery of papers. By May 2000, the Northwestern was being printed at the new printing plant in Appleton. But soon, "Black Sunday" arrived.

"The Gannett publisher had been here for three weeks when Black Sunday hit," Rieckman said, referring to the day that the morning newspaper was not ready for delivery until late afternoon because of printing problems. "The Thomson press manager was the only guy fired in that transition."

"I would deliver papers on some Sunday afternoons for irate readers," he said. "This continued from May to September," when the press crunch eased.

But the damage had been done. If you can't get the newspaper to subscribers at least close to on time, you will lose some of them. "It will take years for us to earn back the good will of our customers," Rieckman said. "It has been a hell of a lot of work and a PR problem for us."

And since March of this year, when Gannett began printing its Green Bay Press-Gazette at the Appleton plant, the Northwestern has been printed at the Fond du Lac plant, where the Fond du Lac and Sheboygan papers also are printed. These numbers also tell a harrowing story of the Northwestern: in just two years it has been printed at three different sites.

With more newspapers being printed at one plant, earlier page deadlines have been implemented at the Northwestern and at the other Gannett papers.

"We have been affected by the early deadlines because of the remote printing," Johnson said. "Our deadline now is 11:45 on Monday through Thursday nights, 12:30 on Friday, and 10 p.m. on Saturday for Sunday's paper."

The earlier deadlines are particularly difficult for readers to understand on nights when local high school and college teams are playing, and the game results are not in the next day's paper.

"We could go to 11:15 or so on Saturday nights before," Johnson said. "We could push that latest page time," because there was not another paper scheduled to be printed."

For better or for worse: There are good arguments on both sides of the issue of family-owned vs. chain ownership of newspapers. And the community journalists at the Northwestern expressed some differences of opinion.

"There are tradeoffs," Rieckman said. "The family had a business that was run intuitively. You could coast along and not improve the product. Corporate owners bring a lot of expertise. You gain market research and training opportunities."

He also noted that publishers and owners of independent publications can put employees in difficult positions.

“Local owners can have an ax to grind,” Rieckman said. “There were lots of people we were not allowed to talk to. It was a minefield to walk through because of who you might offend who was a friend of the publisher.”

Goldthwaite-Kriz echoed that sentiment.

“That is one refreshing change with corporate management,” she said. “Before, if the publisher got mad at an advertiser or at someone who was not advertising, you had to shy away from them. You could not use them as sources.”

Although publishers at newspapers that are part of a chain could try to exercise such influence, it is less likely to occur. In the case of Gannett, member papers are constantly reminded of the company’s code of ethics.

At the top of the editorial page of the Northwestern, it now states that the paper is committed to: “Seeking and reporting the truth in a truthful way; serving the public interest; exercising fair play; maintaining independence; acting with integrity.”

When it comes to spending money, Johnson said all of the Northwestern owners have been budget conscious.

“The family was tight too,” he said, while adding that it had “a gold-plated 401K program. I don’t believe there was an extreme difference, but with each new owner the benefits were upgraded.”

Corporations are closely involved in setting budget limits and profit margins for their newspapers, as well as staffing levels. Some journalists also argue that during downturns in the

economy family-owned newspapers are not as quick to react with cutbacks because they do not have to answer to stockholders.

As for editorial judgments, the Northwestern editors said there is little intrusion from above.

“Thomson liked big, splashy front pages,” Johnson said. “Gannett is more muted. But no one has told us about any stories to avoid.”

On the other hand, Goldthwaite-Kriz has noticed some changes.

“A selling point for us was that we were locally owned and all decisions were made here,” she said. “So it took a while to get used to the corporate culture. We used to have board meetings on site, and you were privy to what was happening day to day. Now those decisions come from Arlington.”

The Future

There has been stability at the Northwestern for the past year. But how long will it last?

The feeling in the newsroom is that, at least for now, the situation has stabilized. “I joke about that when I come back from vacation and ask if we’ve been sold again,” Goldthwaite-Kriz said. “Nothing will surprise me anymore.”

Rieckman, the veteran staffer who has seen many changes in his 32 years at the Northwestern, has some advice for other journalists who might face a similar situation someday.

“People have to understand that their paper is going to change,” he said. “My advice to them is to be open-minded. If the owners don’t offend your sense of ethics, then you can survive.

“If you understand the corporate culture and the realities involved, and if you want to have an impact in the community, then you have to keep an open mind on what you can do,” he added.

“That way you can bring a lot to the table.”