

Stop the Presses!

As newspapers downsize and outsource, news facilities face extinction

There's some news in the newsroom these days that isn't likely to make headlines—because this news is about the eventual demise of the newsroom itself.

No, newspapers are not going out of business. Not yet, anyway. But the executives in charge of protecting the bottom line are making decisions that affect offices, production facilities, and warehouses—in other words, media-owned and/or operated real estate—and some New Jersey newspapers are part of the story.

After all, with cell phones, laptops, Blackberrys, and the constant need to be on the road in pursuit of scoops and clues, why are newsrooms even needed? Plus, many newspapers are finding it more productive to outsource everything from printing to call centers to subscriber services, further increasing the need to take a close look at their existing facilities. Many of them are finding it's time for a change.

"In some cases, printing presses became obsolete, and some newspapers, like the *Courier News* of Bridgewater and the *Daily Record* of Parsippany, find it's more cost-effective to go to third-party printers than to replace their old machines," says Suzanne Macnow, a broker with CB Richard Ellis (CBRE), which has been retained to work on some facility changes for both Gannett-owned newspapers. "Then, the papers no longer need the big facilities they had, and find themselves requiring some good, new office space instead."

North Jersey Media Group, which owns the *Record* in Bergen County, the *Herald News* in Passaic County, and several other newspapers, has found itself in the midst of several facility changes recently due to economic and technological issues. Stephen Borg, president of the company and publisher of both dailies, has said that by closing the *Record's* Hackensack office and moving its staff to the *Herald News's* Passaic office, North Jersey Media Group can save as much as \$2.4 million a year through energy conservation, elimination of cleaning crews, and other similar efforts.

"New procedures are tough," Borg admits, adding that changing old habits isn't always easy for newspaper employees. But change they must,

if they are to stay both profitable and competitive.

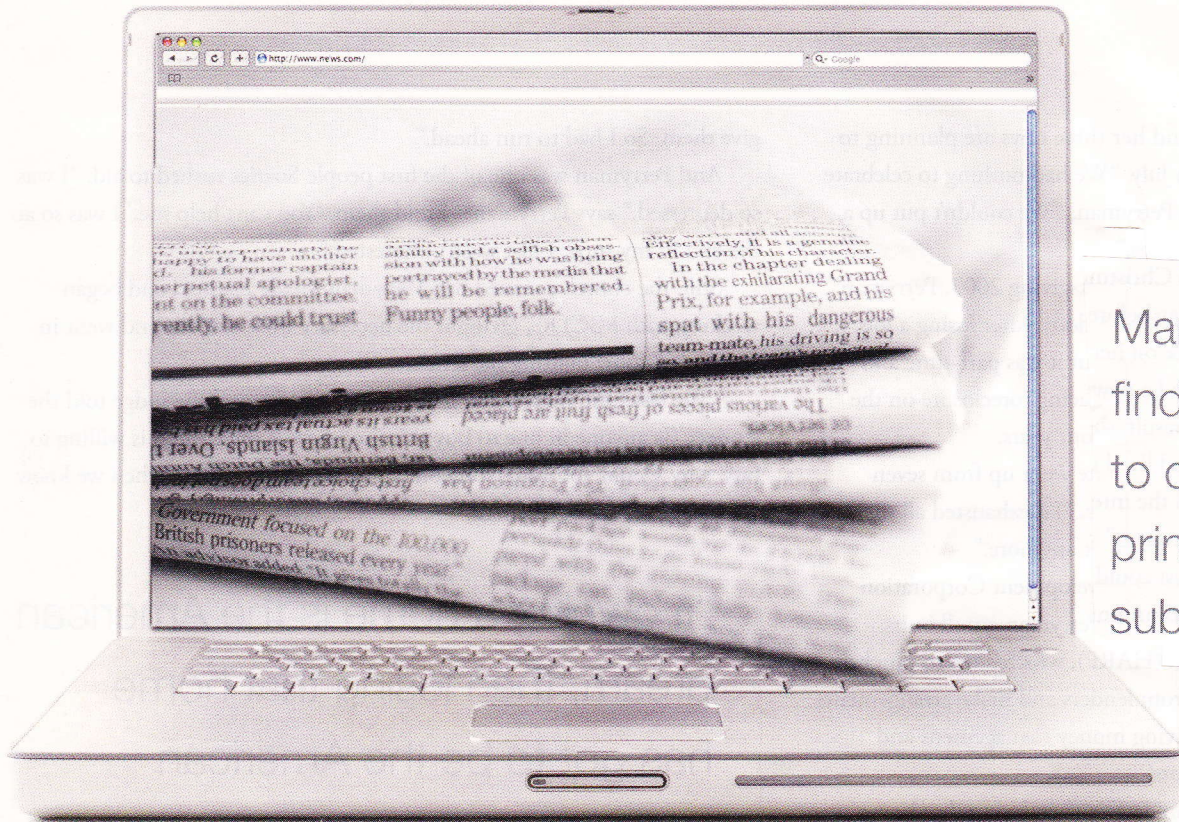
Readers may not feel a thing as newspapers across New Jersey close some sites, expand others, and implement a few new courses of action, but reporters and other staffers, as Borg suggests, can expect a different story.

"When facilities move, reporters experience it as an earthquake—not a major one, but a slight tremor that is disconcerting because it suggests a bigger one might follow," notes former *New York Times* reporter John Darnton, author of the newsroom whodunit, *Black & White and Dead All Over*. "Even if it doesn't interfere with his or her daily routine, it can be upsetting. It's a sign that the powers up there, whoever they are, are worried and trying to consolidate operations to save money. 'What's next,' they may think—'cutting my paycheck?'"

That kind of thinking is exacerbated by a widespread concern that newspapers are losing readers to the Internet. "We're seeing the whole climate changing among newspaper companies," says Mindy Lissner, another broker at CBRE who, with Macnow, is currently seeking new office space for the *Courier News* and the *Daily Record*. Executives at Gannett declined to comment for this article, though the company's most recent annual report addresses it more than once. In the report, chairman, president, and chief executive officer Craig A. Dubow writes:

"In bringing costs in line with revenues, we made the difficult decisions necessary while maintaining our focus on customers. We adopted new ways of working, centralizing and consolidating where we could while upholding and advancing our journalistic integrity."

There are many ironies inherent in this entire newspapers-on-the-move saga. Whereas the *Record* and other North Jersey Media newspapers look to save money by consolidating, the company also reportedly spent more than \$60 million upgrading its Rockaway production plant. "Our old presses were giving up their ghosts," Borg says, explaining the need for the new press in Rockaway. And where the *Courier News* and the *Daily Record* are looking to eliminate some sites, Gannett is simultaneously hoping to turn some of its newsrooms into "information centers" that will focus more on video streaming



Many newspapers are finding it more productive to outsource everything: printing, call centers, and subscriber services.

markets and increase database information services. And it may cost some money to do so.

Many newspapers are still deciding how much to do on their own and how much to outsource, which means that the potential for consolidations, expansions, moves, and other real estate-related activity in the New Jersey newspaper world will extend into the foreseeable future. Still, the value of outsourcing has never been clearer.

"Years ago, even small weekly newspapers operated their own printing presses. This is no longer the case," says Richard Haas, circulation development manager at AFL Web Printing, a full-service publisher's resource firm with offices in Voorhees and Secaucus. "Now, the separation between newspaper publishing and newspaper manufacturing is expanding. As traditional newspaper revenues decline in the face of online competition, even dailies are questioning

the economics of maintaining their own printing equipment. We see more and more newspapers reaching the conclusion that they can offer better services to readers and advertisers by contracting manufacturing rather than controlling it."

Two groups AFL works closely with are Worrall Newspapers in Union and Greater Media Newspapers in East Brunswick, for which they provide a variety of outsource services. That's the trend of many weeklies and even some dailies.

On one hand, Worrall and Greater Media papers don't really play in the same ballpark as the bigger boys elsewhere in the state, so it can be argued that the news in their newsrooms—at least when it concerns the newspapers themselves—doesn't echo as loudly. Then again, even smaller newspapers have everyday people working for them, and everyday people are always concerned about earthquakes. Even in New Jersey. ■■