

# REINVENTING JOURNALISM

AN UNEXPECTED PERSONAL JOURNEY FROM JOURNALIST TO PUBLISHER

---



CENTER FOR  
INVESTIGATIVE  
REPORTING

by ROBERT J. ROSENTHAL,  
EXECUTIVE DIRECTOR

In the spirit of journalistic transparency, “Reinventing Journalism” is Robert J. Rosenthal’s account of assuming leadership of the Center for Investigative Reporting and launching California Watch, its statewide reporting team. This report was written at the request of the John S. and James L. Knight Foundation with the aim of helping fellow journalism organizations, particularly nonprofit startups, learn from CIR’s experiences.

---

*Acknowledgements:*

*Support for this report was provided by the John S. and James L. Knight Foundation. Christa Scharfenberg, Narda Zacchino and Mark Katches provided invaluable feedback and editing support. Thanks to Nikki Frick for copy editing and Kate Jessup for organizing the sidebars and for her research.*

# Sustaining Investigative Journalism Means Finding a New Model

I'm not sure I would have become the executive director of the Center for Investigative Reporting in January 2008 if I had really understood the challenges ahead of me and had thought them out carefully; I had no idea what I was getting into.

When CIR approached me, I was 59 and unemployed. For the second time in six years, I had left, or been asked to leave, high-level editing positions at large metropolitan newspapers. Most recently, I had been managing editor at the San Francisco Chronicle; before that, I was editor of The Philadelphia Inquirer. Nearly 40 years working in newsrooms left me with solid core competencies. I knew a good story, I was passionate and I got great personal reward from enabling talented journalists do what they do best. But many of these skills were not very useful outside a newsroom.

I could also look back, knowing that I had been privileged to be involved with great journalists and important journalism. As a 22-year-old, I was an editorial assistant at The New York Times and was assigned to work on the Pentagon Papers team. At 25, as a reporter at The Boston Globe, I was part of a newspaper-wide effort that won the Pulitzer Prize gold medal for public service.

I later moved to the Inquirer, where I was a reporter and editor during that newspaper's golden age. It was a demanding culture in which reporters

were encouraged to be ambitious and take risks. We also believed we could produce the best journalism in the country. It was a supportive system driven by stories, especially those that could make a difference. And it was fun.

The newsroom cultures of that era nurtured young, talented journalists. So many of them had worked their way up from copyboy or clerk jobs, through a system that rewarded hard work and talent. It was an environment where young journalists were taught by some of the most skilled and experienced men and women in the business. The best editors gave reporters room to flourish, guiding and teaching along the way, and they held us to rigorous standards.

I learned that the best editors, and the best newsrooms, cleared the way for you to succeed – while lending all the support needed. This was vividly conveyed by one of my most influential and powerful mentors, Gene Roberts, then the editor of the Inquirer. He had just told me he was going to name me foreign editor, my first editing job. I asked him, “What do the best editors do?”

“Well,” he drawled, “they are like a blocking back in football. They go through the line, knock somebody down, clear the way, and lie in the mud so the guy with the ball can step on their back and score.”

The image has stuck with me. The most successful editors put their bets on people who can deliver for them. When a reporter proved he or she could produce a great story, the reward was to get to do the next one. There was an adrenaline-filled urgency that made newsrooms crackle. Those staffs rarely worried about who was financially sustaining the work. And they never imagined that it might end.

At the Inquirer and the Chronicle, I believed that I could make a differ-

ence in these newsrooms that, like many others, were beginning an unprecedented struggle for survival. But I was deeply frustrated by a lack of vision, ambition and passion on the business side that was throttling creativity and undermining the crucial role that journalism, and especially investigative reporting, play in our democracy.

As an editor, the priority was on content – not profit. That was the responsibility of the business side. I never had to worry about raising a dime. Many conversations with publishers or corporate officers focused on money. I was never comfortable with those discussions. Far too often, these conversations were about cutbacks aimed not at maintaining profit, but increasing it at the expense of good journalism.

Once, on a visit to the Miami corporate headquarters of Knight Ridder (the owner of the Inquirer), I walked into an office to find two executives dancing a jig. I stood there, embarrassed, while they laughed and explained that the share price had hit a new high that day. They were about to cash in some stock options.

That scene stuck with me and was a crude reminder of the disconnect in values between journalists and the corporate office. There was nothing wrong with profit; those profits had supported the work of journalists, including cost-intensive investigative reporting, for decades. But the demand for ever-increasing profit was the source of the difference between a creative, story-driven culture and a numbers culture.

I relate that story because I see now that every defeat and every success I've had, from the first day I walked into a newsroom in 1969 as a summer intern to the day I exited as an editor decades later, has informed my decisions. These experiences have provided the fuel to help me transform and

grow CIR and to create California Watch, our successful statewide reporting team.

## CIR, THE PETRI DISH

Frustrated by the constraints of “corporate media,” reporters Lowell Bergman, Dan Noyes and David Weir started CIR in 1977. [Over three decades](#), CIR’s fortunes had ebbed and flowed. It produced a great deal of award-winning work, much of it in documentary films with partners like PBS’ “Frontline” and “60 Minutes.”

I was aware of CIR’s history and had worked with the organization on one story at the Chronicle, but that was the extent of my knowledge. When I became executive director, the organization was at risk. The nonprofit investigative space is driven by values that I have always had at my core, but its survival is perilous. What I soon learned was that those of us who have taken on these new entrepreneurial and innovative roles in journalism must evolve. For me, the evolution was into a role I never imagined playing – a publisher.

Before I joined CIR, I understood that for the future models of journalism to succeed, the “money side” and the “creative side” would have to align. And in CIR’s case, that alignment had to reside within me.

---

*What I soon learned was that those of us who have taken on these new entrepreneurial and innovative roles in journalism must evolve. For me, the evolution was into a role I never imagined playing – a publisher.*

CIR had journalistic credibility, and its board already had spent two years looking for an executive director who had vision and the ability to lead. It is the oldest independent, nonprofit investigative reporting organization in the country. But its future was unclear. Taking this job was a great risk. But it also provided an opportunity to build an organization. I had a clear idea of where to go, but getting there was uncharted. In the summer of 2007, before CIR approached me, Nieman Reports asked me to write a [personal essay](#) about the “future” of journalism. That process helped me focus my thoughts about what kind of newsroom I hoped to build. I was also just beginning my work with the [Chauncey Bailey Project](#), a collaboration of Bay Area journalism outlets. We had joined efforts to try to solve the murder of slain Oakland Post Editor Chauncey Bailey and to continue his work. The essay for Nieman Reports was published in the 2007 winter edition. In it, I wrote:

The crucial element determining success will be the strength of emerging relationships among those whose money will support the journalistic enterprise and those who create the product.

They will need to arrive at a sense of shared values and passion about what their journalistic enterprise is and the value it holds – not expressed in monetary terms alone. To use the term “news organization” does not begin to describe the potential opportunities I see ahead for these new ventures. “Publishing” partnerships will be formed and collaborations among news organizations – though these might look very different than we think of them today – will be crucial.

Creating these organizations – using a new DNA – will be easier than the slow transition we are witnessing today with the “old model” organizations. Energy in-

creases when we become engaged in building something new instead of feeling demoralized as institutions we once valued so highly are being destroyed by our own cannibalization.

I have faith that new models of journalism are going to fly out of this whirlpool of change and be successful. Ten years ago, Google wasn’t even in our vocabulary. Ditto Craigslist and Facebook and MySpace and YouTube.

Journalism, as practiced at newspapers, is not dead. But journalists will need to salvage what is essential, figure out how to transform it to the new media, and become leaders in this period of upheaval. It will take men and women of vision and deep pockets, whose primary catalyst is not profit.

As journalists, we live in a time of crisis – offering the possibility of historic change – as we witness a pillar of our democracy being wounded and withering away. Great urgency and risk taking is called for to stem the collapse of what newspapers have stood for in our country’s past. We have no other choice.

I didn’t realize that a few months after I wrote that essay, I would be given the opportunity to turn this vision into reality. Linked in my mind to these cultural values was the idea that the new organization would be a multi-platform content creator, either through the expertise of its own staff or through collaborations with other news organizations.

I used the image of a wheel’s spokes to explain this new model of storytelling. At the center of the wheel is the story, and each spoke represents a different platform – most importantly, a different way of telling the story – with each platform complementing the other. In this way, diverse audiences would get the story in the platform or medium they were most comfortable with.



*At the center of our reporting and distribution model is the story. The spokes represent the multi-platform production and distribution.*

This way of working was different from how newsrooms traditionally were organized. Creating an entity that could produce this new kind of storytelling, and also explaining it to potential funders, was my first challenge.

My transformation from journalist/editor to salesman/evangelical entrepreneur began immediately in the winter of 2008, within weeks of joining CIR. I was basically starting from scratch with a staff of seven people and a budget around \$1.5 million. Much of that funding was dedicated to a documentary film project. There were no major funds in any pipeline. The nearly two-year-long search for an executive director had been frustrating and disappointing. When I was hired, not all of the board members supported my vision. The organization for many years had produced a

---

*My transformation from journalist/editor to salesman/evangelical entrepreneur began immediately in the winter of 2008, within weeks of joining CIR.*

small number of high-quality projects annually, funding investigations individually. Some people thought it should remain that way. But the time was right for change.

## THE QUEST FOR FUNDS

How do you raise money? If there was a useful guidebook, I never found it. But what I did have was a passion for journalism, a vision, the credibility of CIR’s 30-year history and survival instincts. My first focus had to be on sustaining CIR. I knew how to craft stories – and stories were what most of the journalism funders were comfortable financing. So I began by framing pitches around projects.

I spent several rainy February days in New York visiting major foundations with Christa Scharfenberg, our associate director, who had been with CIR for five years and had been acting executive director for the year prior to my hiring. I explained the multi-platform approach we wanted to create and talked about a few major projects, including work associated with Iraq and Afghanistan, human rights, the environment, and state coverage of California. No one jumped out of his or her seat with excitement. There were doubts and challenging questions about the necessity of creating new models out of small existing nonprofits.

Then, weeks after the New York trip, we met with the James Irvine Foundation. The program officer listened patiently to my multi-platform concept and to our story ideas, and then she asked, “Can you do something that’s focused on California? Our funding is focused on California.”

I was thrilled: A potential major funder was interested. Covering the state, with a clear focus on investigative reporting, did not intimidate me. I had been a statehouse reporter and ran newsrooms where state and statehouse coverage were priorities. Cali-

fornia, in addition, is not only bigger than most countries, but is fertile ground for investigative reporting.

The process of creating what would become California Watch took off after that conversation. A little while later, I had my first meeting with staff of the John S. and James L. Knight Foundation. I laid out a similar menu and the multi-platform approach. They also responded positively. They liked the idea about creating a journalistic organization in which using technology, engaging the public and sustaining the effort were central to the mission.

We were interested in engaging the public in reporting, an evolving concept. We realized that it was worth exploring the question readers and viewers often ask after an investigation has been published: What can we do now? We wanted to find a way to build that into the journalism, even around the sensitive subjects that investigative reporting explores.

How to manage and engage an audience was something we would have to build into our planning. We wanted to create new strategies to share information, as well as explore new distribution models. Social media was exploding and offered some new pathways for public engagement and distribution. The ability of stories and video to go viral presented a clear opportunity. We wanted to create communities of interest around subjects and geography. And we wanted to involve these communities to gather information and help find solutions.

At the same time that I was formulating a state concept, former San Francisco Chronicle staff writer Louis Freedberg had gotten seed money from the Irvine Foundation and the William and Flora Hewlett Foundation to develop a similar program. Freedberg and I had several talks, and while we had differing visions, there was reason to share our plans. We both knew that funds were limited and that

it might be pointless to compete, especially in increasingly dire economic times. We decided that we would pursue our plans separately, but leave open the possibility of joining forces.

Around this time, a talented television producer left CIR. Instead of replacing her with another journalist, I decided to hire someone who could help pay the bills. We needed to raise money.

Through a friend, I met someone with a strong fundraising résumé, including experience raising money for journalism, a rare combination given how few journalism-focused nonprofits there were at the time. In what proved to be a crucial decision, Cherilyn Parsons was hired as a part-time development director. It was also a key step in my evolution from editor to publisher.

In my past role as editor of a big newsroom, I resented when editorial resources were cut while business budgets increased. But now, thinking more like a publisher than an editor, I knew that replacing the departing journalist with another reporter was not an option. I needed someone who understood the world of foundations, their nuances and interests, and had a sensibility about our journalistic mission. With 15 years of experience in fundraising, much of it with journalism nonprofits and the Annenberg School for Communication & Journalism at the University of Southern California, Parsons was exactly what we needed.

## LEARNING COLLABORATIVE DISTRIBUTION

In the spring of 2008, reporters on the Chauncey Bailey Project were stationed in our small office. News organizations throughout the Bay Area had teamed up to produce and distribute these stories. The success of that collaborative project would serve as a model for building California Watch, which was still in the planning stages.

## THE CHAUNCEY BAILEY PROJECT

The [Chauncey Bailey Project](#) began under the leadership of Dori J. Maynard, president and CEO of the Robert C. Maynard Institute for Journalism Education in Oakland, and Sandy Close, executive editor of New America Media in San Francisco. Robert Rosenthal coordinated the investigation.

The project was funded by the John S. and James L. Knight Foundation, the Society of Professional Journalists' Sigma Delta Chi Foundation, the UC Berkeley Graduate School of Journalism, the George Washington Williams Fellowship, the National Association of Black Journalists, The Newspaper Guild and The California Endowment. Technical assistance was provided by Investigative Reporters and Editors, Inc.

### CONTRIBUTING NEWS ORGANIZATIONS >>

- Alameda Times-Star Bay
- Area Black Journalists Association
- Center for Investigative Reporting
- Contra Costa Times
- East County Times
- The (Fremont) Argus
- Hayward Daily Review
- Investigative Reporters and Editors
- KGO Radio
- KGO-TV ABC 7
- KQED Public Radio
- KTVU-TV
- Maynard Institute for Journalism Education
- New America Media
- New Voices in Independent Journalism
- The Oakland Tribune
- San Francisco Bay Guardian
- San Jose Mercury News
- San Mateo County Times
- Society of Professional Journalists
- Tri-Valley Herald
- UC Berkeley Graduate School of Journalism
- Valley Times

### SCHOLARLY AND INDUSTRY WHITE PAPERS >>

["Partners of Necessity: The Case for Collaboration in Local Investigative Reporting"](#)  
Report by Sandy Rowe, Shorenstein Center Knight Fellow and former editor, of The Oregonian

["Re-Imagining Journalism: Local News for a Networked World"](#)

2011 *policy paper* by Michael R. Fancher, former editor of *The Seattle Times* and co-convenor of Journalism That Matters Pacific Northwest

["Informing Communities: Sustaining Democracy in the Digital Age"](#)

Knight Commission Report, 2009

### PRAISE AND PRESS COVERAGE >>

["Chauncey Bailey Project shows impact of investigative reporting"](#)

Transcript of speech delivered by Eric Newton, senior adviser to the president of the Knight Foundation, at the annual convention of Investigative Reporters and Editors, June 11, 2011

["Justice written in ink"](#)

The (Cleveland) Plain Dealer, June 18, 2011

["Q & A with Martin Reynolds: Oakland Tribune editor talks about The Chauncey Bailey Project"](#)

By Jane Kim, Columbia Journalism Review, May 14, 2009

["Articles on Editor's Killing Made a Difference"](#)

By Tim Arango, The New York Times, Feb. 22, 2009

### AWARDS EARNED >>

McGill Medal for Journalistic Courage, University of Georgia, 2010

Knight Award for Public Service and Investigative Journalism Award in the Small Site Category, Online News Association, 2009

Community Service Award, Bay Area Black Journalists Association, 2009

New Media Online Project: News and Investigative Reporting, 150,000 + circulation, National Association of Black Journalists, 2009

Paul Tobenkin Memorial Award, Columbia University Graduate School of Journalism, 2009

Community Service Award, National Association of Black Journalists, 2009

Medium-sized newspapers (100,000 to 250,000), Investigative Reporters and Editors, 2009

Best Practices Award, National Association of Black Journalists, 2008

Tom Renner Award, Investigative Reporters and Editors, 2008

James Madison Freedom of Information Award, Society of Professional Journalists Northern California Chapter, 2008

The Bailey Project's model had gained a great deal of positive attention. It was clear that we had hit the tipping point – the point at which news organizations with disparate skills and expertise and shrinking resources were better off working together. We knew that we were doing great journalism, which felt good, but the collaboration was necessary to keep the investigation going; it was producing stories that eventually led to convictions and reforms in the Oakland Police Department.

With the Chauncey Bailey Project, we learned that we could control distribution through as many partner relationships as we could manage – print, television, radio, websites – and that traditional concerns about exclusivity, even with 15 or 20 organizations involved, were less relevant if a story was strong and compelling. While most editors, including me, would have demanded exclusivity in the past, they now preferred to be part of something big rather than be excluded.

Every news organization involved in the Chauncey Bailey Project had the right to post each story on its website at the same time. What this meant was that if the embargo time was 10 p.m., a story went live then across all the news organizations. Television stations with 10 p.m. broadcasts reported the story on air then. If their broadcast was at 11 p.m., it was live on their website earlier and aired on TV later. For newspapers, it meant web first, print in the morning. For radio, generally, it was websites first and broadcast at drive time in the morning. We could time the release and coordinate it with many news organizations in different media. It sounds simple today, but in 2008, it was innovative. And it worked.

The Chauncey Bailey Project's stories saturated the Bay Area. It was a tremendous, positive lesson, not only for the project, but for the profession of journalism. The project shaped where we were about to go next.

## PART TWO

# Diving into the world of fundraising brings many lessons

The Center for Investigative Reporting was poised to undergo a dramatic relaunch in the spring of 2008, taking us fully into the age of the Internet and beyond, but if you visited our humble Berkeley office, it would have been impossible to imagine the changes ahead.

The CIR workplace was in what was once the loft of an old horse stable in a mixed-use neighborhood near the original Berkeley Bowl, a local landmark. With no central heating system, it could be brutally hot or cold. The staff worked with scarves, fingerless gloves and wool caps on cold days and in warm, blowing wind generated by industrial fans, their cables crisscrossing the floor, in the warmer months. We were a struggling nonprofit with no frills.

In the late spring, the staff began to pull together the detailed plans for a new California project, a plan to create a statewide investigative reporting team covering major issues like education, the environment and health care. The job of putting the funding proposals together fell to Associate Director Christa Scharfenberg and Development Officer Cherilyn Parsons. As CIR's executive director, I did a final edit and review, but their knowledge and experience in grant writing and foundation interests were invaluable.

At the same time, we were trying to keep CIR alive, funding other potential projects and managing existing editorial work. We were in two

simultaneous modes: survival and growth. In the mainstream journalism world, the gutting of newsrooms was accelerating and the global financial markets were beginning to destabilize.

I had no experience writing a proposal and never had been in a situation in which there were multiple potential funders with differing mandates, programmatic interests, personalities and idiosyncrasies. My experience with budgets and planning documents had been with publishers and corporate executives. When I was editor of *The Philadelphia Inquirer*, the newsroom had an array of resources that seemed limitless compared with where I now was.

And very important, by comparison, I was used to dealing with one direct funding source, a publisher who negotiated with corporate bosses, occasionally with me in the room. When those meetings were over, you knew where you stood. Still, as a journalist, I was never trained for those kinds of negotiations. In that world, when revenue and profit numbers were met, there was relative tranquility. But when revenue and profits dropped, nothing else mattered but making or adjusting the financial goals. That environment was filled with anxiety, conflict, distrust and shortsighted solutions, all driven by the bottom line.

Money-driven conversations were never comfortable for me, but they were now the central and most crucial element of my role in moving California Watch and CIR forward. Unlike the newspaper industry, however, dealing with foundations was never about making a number; it was about convincing them that you could lead an organization that could make a difference, and, specifically, convincing them to invest in the California project. A friend told me, "You are the product." That it rested so heavily on me to sell the idea and vision to potential funders was unsettling.

With foundations, I was soon to learn, you operated on their cycle and at their pace. They have many suitors. They have internal dynamics, conflicts and staff changes that can alter your organization's life, for better or worse. But as I was reminded again and again, the job of foundations is to give away money. My job was to present a strong organization and argument for their investments.

There was a herky-jerky rhythm to the various foundation funding cycles and board schedules, which left very little time for me to do almost anything else at CIR. "Face time" with funders, which required the mundane scheduling and confirming of many meetings, was as essential as understanding the interests of each foundation. I traveled frequently to meet with foundation staff members, which often involved three-day cross-country trips with as many as five meetings a day. Getting in the door was not always easy. The experience of Scharfenberg and Parsons was crucial to opening doors. But the meetings were imperative to developing a rapport with very busy program officers.

I was a novice at this, but every step was a new lesson.

## FACE TIME WITH A BILLIONAIRE PHILANTHROPIST

The most effective face-to-face meetings occurred when I was able to convey our vision and mission and relay my personal story as a journalist. Parsons had to be present at many of the meetings to coordinate follow-up and draft the proposals. Juggling multiple foundation requests and proposals meant setting up a rigorous management system for which Scharfenberg and Parsons had responsibility. They had my trust, and they had my back. Very important for me, they pushed back, asked questions, understood our mission and turned that vision into clear prose. The California project

and CIR's future were as reliant on their skills and persistence as anyone's.

Around this time, in the spring of 2008, I had my first one-on-one conversations with philanthropists. The first step is getting in the door. Sometimes, the door can be opened by chance or by contact made through board members, friends or acquaintances. Other times, the door never opens. There is no real training for this. You are selling your wits, personality, passion and vision; chemistry is essential.

A friend who had secured funding from George Soros for a business project years ago told me that in meeting a potential grantee, Soros would know in a couple of minutes whether he would fund you. He said Soros made those decisions with his gut. Through another friend, I was able to meet San Francisco philanthropist and billionaire financier Warren Hellman. When I asked more experienced fundraisers how I should prepare for that meeting, the consensus was "be yourself."

I went to Hellman's office. His clothes were rumpled; his shoes were worn and comfortable-looking. He took off his sports jacket and, without looking, tossed it in a heap on a corner chair.

I'd never met anyone with his wealth, and I knew he had the capacity to be a financial game changer for CIR. I immediately felt comfortable with him; I told him about my background, we talked sports, and I eventually launched into where I hoped to take CIR and the kinds of journalism we would do. I did not feel like a salesman, though I suppose that's what I was.

After a few minutes of my "vision talk," Hellman stopped me.

"We have to fund the mother," he said.

"The mother?" I responded. I had no idea what he meant.

"You," he said. "You need the support around you to do what you can do."

I did not realize it at the moment, but he got the vision. As a businessman and entrepreneur, Hellman understood the concepts I was laying out, and he was thinking about how to support them, and me.

I came out of the meeting with a good feeling. I liked Hellman, and he wanted to meet again. I had been told that "developing" an individual donor could be a lengthy process. It was about relationship building, and here it was in practice.

Over the next few months, I met with Hellman several times. He said he would help and made a \$100,000 gift from his family foundation. More important, he offered to host a luncheon in his office for potential donors, some of his friends and anyone I wanted to invite. This was a big opportunity. His advice to me was not to talk about stories, but about the new model.

On the morning of the luncheon, the Hearst Corp. announced that it might sell or close the San Francisco Chronicle. When I walked into Hellman's boardroom, he walked up to me, grabbed my elbow, pulled me aside, looked me in the eye and asked, "Should I buy the Chronicle?"

I told him I didn't think it would be a good investment.

As he got more involved in seeing how he could help stabilize San Francisco journalism, Hellman's interest in CIR waned (though he did continue his generous support for two more years), and his focus went to funding his own startup project, [The Bay Citizen](#), a San Francisco online news site.

I understood his thinking, and I greatly appreciated his support. Large individual gifts are a crucial pillar of the sustainability formula for CIR and all successful nonprofits. I now knew that I could make a positive im-

pression on individual philanthropists. But I also had learned that building these relationships wouldn't always translate into support that could provide the type of financial resources we needed to reach our vision.

As the Hellman interlude unfolded and unraveled, we also were working with many foundations, large and small. It is important to have many lines out and be ready to evolve and adjust your thinking and strategies.

For example, in initial conversations during the spring of 2008, we were talking about creating a "destination website" for the California project. We were considering the idea of being the go-to site for in-depth California news, including our own investigations and aggregated content from around the state.

But at the same time, the Chauncey Bailey Project demonstrated the strength of collaborative reporting and distribution. We had created the consistent ability to reach large audiences through many simultaneous publishing and broadcast partners. It would have been foolish to ignore that successful learning experience. Through the project – which revealed a shoddy police investigation and led to two murder convictions in 2011 – we saw that large audiences could be reached through the multi-platform, multi-partner approach. That experience ultimately steered us from the destination website idea. The collaborative model, publishing through many partners simultaneously, became central to the vision for CIR and California Watch.

## **NAILING DOWN FOUNDATION GRANTS**

Work with the program officers and consultants with the John S. and James L. Knight Foundation and the James Irvine Foundation accelerated after the summer of 2008. In the fall, we received a planning grant from the Irvine Foundation that supported more staff, as the California project became

the focus of our growth strategy.

As the financial crisis exploded, our anxiety mounted, as did pressure on newsrooms. Our primary argument for the state project had been the precipitous decline in the number of journalists covering Sacramento. By the fall of 2008, the number of reporters in California's capital had been more than halved in five years. Every news organization in the state was undergoing dramatic cuts. And when cutting is the focus, innovation is nearly impossible.

We had to think and act differently. And for me, the Chauncey Bailey Project continued to be a guide. During this time, CIR board members were watching. They were not actively engaged in formulating a strategy or raising money, but they were 100

---

*The collaborative model, publishing through many partners simultaneously, became central to the vision for CIR and California Watch.*

percent supportive of the concept and our efforts. By the end of 2008, though we had proposals under way, the future of CIR and the California project were very uncertain.

The complexity of our collaborative, multi-platform multimedia model was going to be a challenge to create and manage. Adding to the challenge was the fact that we still had no guarantee of funding. But the convergence of the collapse of legacy media, the availability of talented yet frustrated journalists, advances in technology and interested funders created opportunity.

The underpinning of that opportunity was a shared belief that journalists and investigative reporting had played

an important role in our democracy, and that role had to evolve and be supported going forward.

The passion that pushed us at CIR was also born out of personal convictions. My father had started the journalism program at The City College of New York in the 1930s. He died at age 95 in the spring of 2008, a few months after I started at CIR. As I went through his files after his death, I found a yellowed piece of paper with two typewritten paragraphs:

*"Why should freedom of speech and freedom of press be allowed? Why should government, which is doing what it believes to be right, allow itself to be criticized? It would not allow opposition by lethal weapons. Ideas are much more fatal things than guns. Why should any man be allowed to buy a printing press and disseminate pernicious opinions calculated to embarrass the government?"*  
-Nikolai Lenin, 1920

*"The basis of our governments being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to choose the latter." – Thomas Jefferson, 1787*

We were in a different world from when those statements were made, but the words resonated with me and still rang true.

During this time, former San Francisco Chronicle reporter Louis Freedberg was having conversations the William and Flora Hewlett Foundation regarding his own California initiative, and I had been asked by the Irvine Foundation to consider working with him. He and I had talked about this earlier and now decided to work together rather than compete for shrinking funds. Funders clearly prefer collaboration among potential grantees – another lesson quickly learned.

The narrative for our proposal was taking shape as we honed key principles. To develop and test this model, the California project would:

- Develop collaboration as a key strategy for the news operations of the future
- Implement multimedia distribution as part of every story and test new digital technologies
- Develop innovative, replicable strategies that can generate revenue from multimedia content and help sustain operations

During the last quarter of 2008, we submitted the proposals to the Irvine, Hewlett and Knight foundations. The total original budget for the first year of California Watch was nearly \$1.5 million. That would have covered 14 positions and a portion of CIR's core staff. We had been working very closely with program officers at all of the foundations. Each had its own angle of interest in the project. Irvine's mission is to expand "opportunity for the people of California to participate in a vibrant, successful and inclusive society." Thus, that foundation saw the decline of state reporting as a serious threat. We worked with the education program at Hewlett, which was seeking increased coverage of education issues. Knight is the single largest funder of journalism in the United States, with a keen interest in high-quality journalism, new technologies and community engagement.

Each of the potential funders knew of the others' interest in the project, and they all conferred about our project. That allowed us to ensure that the three proposals complemented each other and provided comprehensive and staggered support over the project's first three years.

By the end of 2008, Irvine had agreed to a \$1.2 million grant over three years. In March 2009, Hewlett matched Irvine. Freedberg began working with us as director of the project, and

longtime journalist and former UC Berkeley Graduate School of Journalism staff member Marcia Parker was hired to help with the startup. Knight, because of the chaos in the financial markets, deferred a decision until its June 2009 board meeting. We decided to begin planning to launch the project, but not to actually launch it or make further hires until we knew our full funding commitment.

Knight was pushing us to be as innovative as possible around distribution, engagement and sustainability. I agreed with those core strategies, though I also believed our ability to generate strong stories would be the basis of our success and core competency. I wanted to establish the project's journalistic credibility as quickly as possible. That meant we needed strong editorial leadership. As word spread of our good fortune with the Irvine and Hewlett foundations, journalists began contacting us.

Mark Katches, a Californian who had been hired by the Milwaukee Journal Sentinel in 2006 to create and run an investigative reporting team, and I made contact shortly after the Irvine grant was approved. He also sent me a proposal that he had put together on his own months before for an investigative reporting project based in Sacramento. His thinking, derived from years of reporting and editing in California and Sacramento, mainly for The Orange County Register, was remarkably similar to ours. He called his plan California Watch and had already bought the domain name – which he later transferred to CIR.

Our leadership team met with Katches, and he was a clear choice to run the project if we secured funding. In June, the Knight Foundation awarded CIR a two-year \$1.3 million grant for California Watch, bringing the total funding for the project to \$3.7 million over three years. Katches was hired with a start date of Aug. 1. But he began working with us imme-

diately from Milwaukee during his weekends and evenings to finalize staffing and budget.

## BUILDING THE TEAM

Katches and Freedberg came from very different backgrounds, but they shared the belief that there was an opportunity and need for a new kind of journalism organization in California that would serve the interests of the state's citizens. Each had envisioned his own model for how this organization might work.

---

*... we announced that we were hiring six reporters and two multimedia producers. Nearly 700 journalists applied.*

Katches, who started his career in the Bay Area and also worked in Sacramento and Southern California, was considered one of the best investigative editors in the country. He had a strong personality and was extremely organized. Although he had a secure position in Milwaukee, coming off a Pulitzer Prize win for his staff, his family grew tired of the harsh Wisconsin winters. He was ready to get back to his home state and be part of building a new model of journalism.

Freedberg, an anti-apartheid South Africa native, had seen injustice firsthand. He had a long career in California journalism as well, most recently at the Chronicle. He had left that newspaper hoping to create a media "collaborative" in California. He had worked in the nonprofit journalism sector as a young man, including with the legendary Sandy Close, executive editor of Pacific News Service and its offspring – the ethnic media collaboratives New California Media and New America Media.

# California Watch Comes to Life

As reporters and editors began to arrive from around the country in August 2009, we had the energy, and the chaos, of a startup.

In all my years as an editor at newspapers, I never had been involved in a strategy that actually added staff. Suddenly, the Center for Investigative Reporting was exploding, and so were the challenges and rewards of managing growth. As executive director, I preferred this scenario, but I quickly learned that managing growth is as challenging as managing cutbacks. Downsizing creates an environment of gloom and a sense of failure in newsrooms. It is emotionally distressing for everyone, and it was personally brutal for me. But when you are building and more than doubling your organization, the sudden addition of staff creates an exhilarating but complicated brew. Issues and problems come flying at you from so many directions that decisions have to be made quickly using both your gut and your head.

My role during this initial period was to instill confidence and trust in the new team and to somehow make sure the culture we were creating was as open and flexible as we envisioned. This may sound easy, but I knew how unpredictable things could be, as with any team, when you factor in personalities and egos.

While we were hiring and getting the new staff in place, Louis Freedberg, who was part of the management staff of California Watch, traveled to various parts of the state to discuss our

In early July, we were ready to start hiring. While we had a large amount of money, it had to stretch over three years. The budget was tight, and we needed to maximize it. We were setting out to cover the largest state in the country. Through journalism employment websites, we announced that we were hiring six reporters and two multimedia producers. Nearly 700 journalists applied. Marcia Parker managed the onslaught. As we began our early strategy sessions and thought about the qualities we were seeking in new staff members, there was agreement that we would be creating a multi-platform, collaborative news organization where everyone had to think of himself or herself as a potential entrepreneur in addition to being a journalist.

In conversations with senior staff, all of whom were involved in the interview process, we stressed the need to be clear with applicants that this was a fragile, but great, opportunity to build something unique. We also emphasized that everyone would be part of the evolution of the project, and they had to be open to, and comfortable with, collaboration internally and externally. We also were determined to hire a diverse team.

The range of applicants was striking, from multiple Pulitzer Prize winners from legacy newspapers to younger journalists who had worked only for web-based news organizations. Katches, who had been on the board of Investigative Reporters and Editors and involved with its mentoring program, also had connections to a network of young, talented and ambitious journalists.

There was an abundance of new multimedia journalists on our list and strong computer-assisted reporting applicants. We also were looking for people who had multiple-platform storytelling skills and were comfortable users of social media and new technologies. It was clear that many

journalists were interested in being part of building something new. Even with our uncertain future, applicants were willing to be part of what we all saw as a noble experiment.

Our new team would need the ability to adapt to changes and opportunities in technology. I did not want a change-resistant culture wedded to past practices. We needed to have a flexible and nimble organization. We needed to be constantly looking outward to the audience and our partners' needs.

Katches came on the scene with the authority to shape the editorial team, which would be reporting to him. He had the experience, credentials and reputation to build the unit. In the end, we hired the team we had envisioned: from veteran California journalists Lance Williams (San Francisco Chronicle) and Robert Salladay (Los Angeles Times); to younger reporters Erica Perez (Milwaukee Journal Sentinel), Christina Jewett (ProPublica), Corey G. Johnson (The Fayetteville Observer) and Chase Davis (Des Moines Register); to multimedia producers Mark Luckie (10,000 Words) and Lisa Pickoff-White (freelancer); to data analyst Agustin Armendariz (The San Diego Union-Tribune).

In July 2010, California Watch was found by the American Society of News Editors to be one of the [most diverse online newsrooms](#) in the country.

We were poised to take off, but there would be bumps and challenges ahead.

...

plans with editors and news directors and to assess their potential interest in our stories. There was plenty of interest – mixed with skepticism about how our new model would fit in the traditional journalism world – but no commitments.

Through the Chauncey Bailey Project, I had gotten to know key leaders at KQED. The influential public broadcasting radio station in the Bay Area has statewide reach, as well as strong ties to National Public Radio. We approached KQED’s management with an idea: Would they be willing to partner and work full time with California Watch? A proposal was made that we split the salary and expenses for Michael Montgomery, a veteran radio producer who had a history of working with both organizations. We wanted him to have full access to our investigations. California Watch and KQED would collaboratively make the decisions on which stories to pursue.

We would not impose creative control over radio; our reporters and editors would work together, and CIR would have the opportunity to review final scripts to make sure that all of our facts matched and that important interviews conducted for radio could be woven into print versions of stories. Montgomery would work out of both our office and KQED’s, but needed to be in KQED’s studios to record his work. (Current newspaper [covered the collaboration](#).)

The partnership with KQED was a tremendous opportunity for us to consistently work with a highly respected media partner and reach a statewide broadcast audience in the millions. (KQED syndicates its “California Report” to every public radio station in the state.)

We also wanted to reach beyond the state’s English-speaking residents. We knew we could not develop the relationships or stature that Sandy

Close’s New America Media (NAM) had with ethnic media. Another lesson we were putting into practice was not to duplicate something that another organization already did well. And NAM does what it does really well. NAM’s staff would translate our stories, sometimes for a fee, and distribute them to their network. They don’t do this for every story, and going forward, we can do a better job of working with them on reporting. But the times we’ve worked together have been successful.

All of this activity – the new deal-making, the opportunities and growth – was like a shot of adrenaline. Our small loft was abuzz with energy. It was exciting and crowded. Everyone could hear each other’s phone calls; “internal communications” literally meant calling across the room. When consultant Marcia Parker pushed back her chair from her desk, she hit the chair of our chief fundraiser, Cheryl Parsons. The refrigerator was overflowing.

## LAUNCHING CALIFORNIA WATCH

From the beginning, I knew we could not create two distinct cultures within CIR – the national reporting desk, where we had a few projects under way, and California Watch – though it was challenging to integrate the two entities. There had to be a symbiosis between CIR and our potentially formidable baby.

What better way to do this than through our inaugural California Watch story? G.W. Schulz, a CIR staff member, had been working on a project on state-level homeland security activities and spending. He had gathered extensive information and data on every state. As a way to quickly launch California Watch, even as the new staff was settling in, we decided to break out a story focused on California, looking at waste and abuse within the multimillion-dollar homeland security grant system. This

## CALIFORNIA WATCH LAUNCH

### PRESS COVERAGE >>

[“California Watch Says ‘Yes’ to Open, Networked Investigative Reports”](#)

PBS’ “MediaShift,” Dec. 17, 2009

[“Filling the Gap: California Watch, a new investigative reporting venture, is launching a beefed-up online operation”](#)

American Journalism Review, August/September, 2009

[“California Watch’s revenue model: Charge news outlets, target donors”](#)

Nieman Journalism Lab, Nov. 17, 2009

[“California Watch’s Revenue Model”](#)

The Nonprofit Road, Nov. 17, 2009

[“Public TV, Radio Stations to Increase Local Investigative Coverage as Columbia Report Advised”](#)

Poynter Online, Nov. 12, 2009

[“Amid Newsroom Cutbacks Are ‘Watchdogs’ Still Awake? And Can Outsiders Fill the Gaps?”](#)

Editor & Publisher, Oct. 29, 2009

story, which would be pegged to the anniversary of Sept. 11, offered a solid roadmap for testing our collaborative model. While Schulz could write the overall story for the state, he also had detailed data for almost any county or locality, which offered a great avenue for partnering with media outlets throughout California to localize the larger investigation.

Now we had to figure out distribution. Would editors be open to a ready-made, unique 9/11 anniversary story? Would they demand exclusivity? Would we charge for the story? We decided we would establish a fee if a newspaper wanted to publish our work. If we worked together with a news outlet from inception, we would not charge.

As we began to notify potential partners in late August, I thought we

would be fortunate if we got two to four news organizations to sign on. Freedberg, Parker, California Watch Editorial Director Mark Katches and I divided up news organizations in the state on the basis of personal relationships. Between us, we knew many of those we would call or e-mail. We needed distribution. So what if someone said they would not or could not pay? Did distribution trump revenue? There was internal disagreement about this. Some felt we should establish market value. Others felt we should try to reach the broadest audience possible, which would mean negotiating lower prices if news outlets balked. We would ask that the story be published on websites as well, with links back to our site for supporting stories or data.

Several factors helped us succeed in this initial distribution challenge. Personal relationships mattered. We each could get editors to respond to us nearly all of the time, and CIR had credibility and a positive reputation within editing circles for accurate, credible reporting. As we all came from traditional news organizations, we were sensitive to the needs and issues of these newsrooms whose editors we were contacting. We wanted to make this process as easy as possible for our clients. The process was time consuming but crucial.

Freedberg, Katches and I had differing comfort levels with the “sales pitch.” We established a rough pricing structure that was flexible when it came to pushback. The pricing was based on circulation of newspapers and ranged from \$50 to \$350 for the story. (We have since increased our fees significantly.) News websites would get the story for free, as would other nonprofits and KQED. With hindsight, the amount of back and forth and our anxiety over “the sales pitch” was comical, given the relatively small amounts of money we were seeking. But it was outside of our journalistic comfort zone.

We began making as many calls as we could, describing California Watch and CIR to editors. We explained that we had a story in which they might be interested, describing how it could be localized, letting them know that we were offering it to others around the state, possibly even other media in their market, telling them we were charging (cringe), and describing timing and plans for release.

---

*Schulz’s story ran on the front page of about two dozen newspapers, reaching more than 1.8 million subscribers, and on television, radio, news websites and in ethnic media outlets throughout the state.*

We had no idea if this would work, but it did. Schulz’s story ran on the front page of about two dozen newspapers, reaching more than 1.8 million subscribers, and on television, radio, news websites and in ethnic media outlets throughout the state.

We produced the print story at three different lengths and edited custom versions for several news organizations. In San Francisco, KGO-TV produced a 5-minute piece based on our reporting and featuring our reporter; they were even able to conduct a key interview that we were unable to get, which helped strengthen the entire investigation.

The Marin Independent Journal assigned one of its photographers to the story and then allowed us to distribute those photos to all of our partners. Through our partnership with New America Media, the story was translated and distributed in Chinese, Vietnamese and Korean. La Opinion

in Los Angeles translated the story into Spanish, published the story and allowed us to distribute their translation to other Spanish-language outlets, an arrangement we have continued. We did not charge any of these key partners in exchange for their contributions to the project.

Coordinating the release was a logistical feat. The embargo was set to the time of the KGO-TV evening broadcast, with all news outlets free to post to their sites and then publish or broadcast on their own schedule. No one complained. In fact, the only criticism was from some news organizations asking why they hadn’t been part of it. We were stunned. News organizations wanted to be part of this.

What was surprising to us was how the need for exclusivity, once so sacrosanct throughout print as well as broadcast, fell by the wayside. Our new model was being widely accepted and, better yet, adopted. Audiences were so fragmented that news organizations would rather share a good, unique story than not have it and cede it to their competition. And in this era of shrinking revenues, most media could not afford to finance the depth of reporting CIR and California Watch wanted to do. That first

#### **CALIFORNIA WATCH IN 2010**

##### **SELECTED PRESS COVERAGE >>**

“California Watch Editorial Director: Exclusives No Longer That Important”  
Mediabistro, July 28, 2010

“California Watch Launches Site to Track Gov Candidates’ Statements”  
Mediabistro, June 21, 2010

“The New Investigators”  
Columbia Journalism Review,  
May/June 2010

“Can newspaper muckraking carry on in nonprofits?”  
Associated Press, Jan. 17, 2010

story taught us a great deal about not being afraid to try new things and to take risks. Our clients – news organizations – and their content users would let us know what worked.

## REACHING WIDER AUDIENCES

As thrilled as we were with the reach of our first story, it also gave us a look at one of our primary challenges going into the future: how to engage and capture our audiences. By publishing through dozens of other outlets, we had limited knowledge about, or access to, our readers, viewers and listeners. Moving forward, our stories often would be the most read and e-mailed on other news sites, amassing hundreds of reader comments and tens of thousands of page views. The blessing and curse of our wide and nonexclusive distribution network is that it takes full advantage of the web and new media: Our stories travel, so they reach huge audiences, but it is extremely difficult to quantify, capture and engage those people when they essentially “belong to” other outlets. We’ve become more sophisticated in tracking the reach of our content. But we still need to get better at it so that we can accurately measure our audience. Knowing who our readers, viewers and listeners are helps us engage with our audience directly. It’s also an important metric for our funders.

The distribution of our first story exceeded our wildest expectations. We followed up with two more packages in the fall of 2009 – one in November on the failure of a program to reduce class sizes in K–12 schools and another in December on the an influential campaign donor. We also opened our four-person Sacramento bureau, based in KQED’s capital office. Sacramento veteran Bob Salladay works as CIR’s senior editor there with reporters Corey G. Johnson, Christina Jewett and Chase Davis.

By January 2010, our investigative reporters and a stable of outstanding

freelancers had more than 35 investigations under way. With help from consultant Susan Mernit, we also launched the California Watch website. It featured close to 20 searchable databases and daily blogging by our reporters and editors. We also established an aggressive social media strategy. Our model was to continue to distribute through others, but we wanted our site to showcase our work and not be dormant between investigative stories.

We were in a period of relative funding stability, and we moved in January to a larger office in Berkeley, with the modern conveniences of heating and air conditioning, sufficient bandwidth to keep our computers from crashing, and a desk for everyone. Our new home is less expensive than San Francisco office space, which we also considered, and is close to UC Berkeley and its Graduate School of Journalism. Our proximity to the journalism school has enabled some of us to teach or guest lecture there – and to find ways to collaborate with students.

While signing a five-year lease at our new location gave us a lower rate, there was also an element of risk; there is no certainty of funding that far into the future. It was a roll of the dice. More and more, I was learning that there’s a lot of crapshooting in the decision making of a nonprofit leader. Yet, without taking risks, you cannot grow.

As we adjusted to our new workspace, our team’s personalities, strengths and weaknesses became clearer. We focused on stories and creating the model and, most important, a culture in which multiple platforms and skills were at the table from the beginning of a project. But our gaps were evident. Every newspaper editor has had the experience of having a deeply reported story come to a close when someone asks, “Where are the photos and graphics?” Despite our all-out attempt to cover our multimedia bases,

there was so much more we wanted to be able to do with each story – but there was only so much our staff could do. Some skills were lacking. We had no photographer or graphic artist on our team, for instance.

The effort to think with about visuals, multimedia and audio involved a cultural re-education for some of our reporters. We needed to shed the traditional media practice of keeping stories “secret” from all but top editors before publication. Instead, we wanted everyone to embrace a routine of presenting stories-in-progress to a group of colleagues who could help build interactive graphics, video, radio and animation. The broader team would not only ask questions, but also think of ways to take the facts and data and use them to tell the story in their specialty. This was vital to producing multi-faceted stories across various platforms so that each element could be in process simultaneously as we headed to a release date.

It was much easier to create and shape this model from the beginning than it would have been to transform an entrenched legacy newsroom, where change was typically met with resistance. In this new model, any question was a good question, and staff members had to be reminded and encouraged to take risks and think differently about storytelling and reaching disparate audiences.

More and more of my time was involved in fundraising and internal issues mainly related to managing personalities, egos and the conflicts that did arise, as they would in any growing workplace. I felt fortunate that I had management experience in dealing with personnel issues in my past roles, albeit in much larger organizations. In a smaller workplace, such issues are magnified and must be dealt with swiftly or they can become poisonous.

## SOLVING DISTRIBUTION CONUNDRUMS

As stories began to be completed and distributed, we refined the editing and distribution process we had established with the homeland security story. We knew from that experience that there was a need to help news organizations localize our stories. But we could not manage that process for every partner.

Katches came up with a solution. He edited three to four versions of a print story, by geography, when possible. We might have Southern, Central and Northern California versions, for example. All of these stories were dramatically shorter than the full-length version we would publish on our website. In some cases, 3,000-word stories would be cut by two-thirds for news organizations that couldn't accommodate lengthy text stories. Partners would have access to our data and could craft local inserts or a new top with our sign-off. They also could do their own sidebars with a local focus. We delivered budget lines as early as possible, frequently two weeks ahead of the publication date.

KQED radio and Montgomery, our shared reporter, were involved from the beginning of stories, deciding in consultation which ones he would focus on for broadcast. The rest of us quickly learned the concept of sound, just as we learned about the need for video through our work with KGO-TV and others. Agustin Armendariz, our data analyst, created searchable databases for many stories.

Distribution was taking up more of Freedberg's and my time. We knew we needed a staff member focused on distribution and partner management. We also wanted to add a health reporter, so we set out to find additional funding. By the spring of 2010, The California Endowment awarded us a grant for a public engagement manager and a community health reporter.

With the support of the Ethics and Excellence in Journalism Foundation, we added our distribution and online community manager, Meghann Farnsworth, in August.

Farnsworth not only places our work with partners, but also is integral to pushing our stories out through numerous social media platforms. She started with Facebook and Twitter but later began to explore emerging and niche platforms and tools, such as Tumblr and StumbleUpon. She keeps abreast of almost daily changes in social media, Internet sites and emerging platforms that can help us grow and engage new audiences. She has helped reporters experiment with new storytelling platforms, such as Storify. She keeps track of where our work travels in the blogosphere and attends conferences to raise awareness of California Watch and CIR in key communities that could further distribution.

By the end of 2010, we produced far more stories than was our goal and reached much wider audiences than we anticipated. We completed 24 in-depth investigations, distributed through our partners. In addition, we had published 1,118 blog posts. We now call them news posts because so many of them are fully reported stories. Twenty-eight searchable databases complemented our work and helped the public localize and personalize big issues. Stories included a look at BP receiving stimulus funds, cesarean section rates across California and issues related to maternal health, and climate change legislation in California.

Our stories were having an impact:

- We detailed numerous citations for a major retailer for selling jewelry tainted with lead, prompting the retailer to pull items from store shelves nationwide and leading to pending state legislation to more effectively prevent such sales.

- We showed how hundreds of nursing homes had cut staff and reduced wages, even as they took money from a taxpayer fund designed to do just the opposite. After the story ran, the governor announced a series of quality and accountability reforms that were approved by the Legislature and signed into law.
- We showed how law enforcement agencies were increasingly using DUI checkpoints to seize vehicles from unlicensed drivers, mostly immigrants. Afterward, based on our work, the city of Los Angeles and seven other cities halted the practice of impounding vehicles. The story also resulted in public protests. Legislation was introduced to dramatically curb impounding at checkpoints.

Our work has led to industry awards, including a general excellence award from the Online News Association and Journalists of the Year and Investigative Reporting awards from the Northern California Chapter of the Society of Professional Journalists. Our California Watch website also won a National Headliner Award for best online-only news site.

With Public Engagement Manager Ashley Alvarado in place, we produced in-depth "React & Act" materials in conjunction with major investigations. To enable our audience to take action on issues they care about, Alvarado created Q&As, fact sheets, links to good sources of further information, and contact information for key players and government officials, all in one easy-to-navigate place. Our engagement also extended to direct community contact, such as free lead screenings following our investigation into contaminated costume jewelry, and Open Newsroom events in which we station reporters in Wi-Fi-accessible cafes around the state to explain California Watch to the public.

## PUBLIC INSIGHT NETWORK

Through the Public Insight Network, California Watch and CIR have access to more than 125,000 citizen sources from across the country. PIN provides individuals a direct channel for sharing their knowledge, experience and insights with reporters. We have issued PIN queries on topics ranging from immigration to C-sections and children's profiles on Facebook. The queries have garnered hundreds of responses. We also are beginning to use PIN for community awareness purposes. For instance, for our "California Lost" series, which examines underserved areas of the state, Public Engagement Manager Ashley Alvarado has successfully used PIN via mobile phones as a means of connecting with residents who lack computers or Internet access. Once a group of people in the same community connects to PIN, they can inform California Watch and each other about local conditions (like water or power outages or environmental pollution) and the responses (or lack thereof) from area utilities, companies or government offices.

In another effort to expand our approach to reporting and engagement, California Watch joined American Public Media's [Public Insight Network](#), which, among other functions, enables reporters to ask questions and find knowledgeable sources for stories.

In our first year, we partnered with nearly 80 news organizations and reached an audience conservatively estimated at 25 million. This was based on newspaper circulation (including newspaper websites) and ratings for TV and radio partners. But we know that this represents a fraction of our actual audience.

Our own web traffic grew month to month, and by the end of 2010,

we had more than 200,000 unique visitors. Our revenue from California Watch stories was \$27,375. Not much, but we had established the principle of payment for content.



## PART FOUR

# Business development strategies are key to future success

As 2011 began, the Center for Investigative Reporting and its robust new creation, California Watch, were in good shape. We had received a great deal of positive publicity the previous year and earned recognition within the journalism community, which helped with fundraising. In the last 18 months, the staff had quadrupled and had more than 30 projects under way.

Our projected organizational budget for the year was up to \$4.7 million, with \$2.3 million of that for California Watch. We were not fully funded for the year, but we were cautiously optimistic we would successfully obtain the funding to move the organization into the future. But I was aware that our future was far from secure. We were not filling open positions and were closely watching our budget.

The evolution of CIR and the collaborative culture we had envisioned, both inside and outside the organization, were a reality. The multi-platform and nontraditional distribution strategies worked. And we were positioned to take advantage of changing technologies.

*In our first year, we partnered with nearly 80 news organizations and reached an audience conservatively estimated at 25 million.*

Strategies that would help increase revenue became our focus. We brought on a business development consultant with the goal of finalizing a business plan that would focus on three things: growing our audience, generating more revenue and increasing user engagement. From our faltering efforts in the fall of 2009, we had become more confident about the value and possibilities of charging for content. Going into 2011, Editorial Director Mark Katches and Distribution and Online Community Manager Meghann Farnsworth led the initiative to create a membership and syndication model that would generate additional revenue. Figuring out pricing and getting a sense of what newspapers with shrinking budgets would pay was a first step. We knew that the value proposition for our stories was ridiculously cheap for our partners. Just computing salary and benefits for a reporter, as well as editing time for a story that would conservatively take three months, would cost a newsroom a minimum of \$20,000.

A news organization in 2010, again based on circulation or audience size, would pay us \$75 to \$500 for that story. True, we could charge multiple partners for the story, but the returns were minimal for us when compared with our costs. We wanted to find a way to increase our revenue to offset at least a bit more of the expense.

Having established an appetite for our content, we knew we also had to offer other elements to the package. We

developed a range of options – from five to 15 investigative or major enterprise stories. Partners could choose to buy our news posts as a monthly feed or pay a la carte prices. All of these stories would be available to partner outlets to print and post on websites. We named the service the California Watch Media Network. By spring, seven newspapers had signed on as members for a total of more than \$40,000 annually. Prices were based on circulation. We maintained relationships with other newspapers and continued to offer and sell them stories.

I spent a great deal of my time on fundraising and widening our network of people who could help us financially. I would never turn down an opportunity to speak about our work or the challenge of sustaining it. Whether in front of large groups or small ones, I was nervous. My focus and energy had to be the same for five people or 500. An example is the [TEDx](#) talk I gave this spring.

While I was meeting scores of people, there were never enough door openers for me in terms of fundraising. Our chief fundraiser, Cheryl Parsons, was overloaded with foundation fundraising. Though we had brought on a part-time development assistant, we had no one focused on individual large-gift donors. I pressed our CIR board members and others to introduce me to people who were interested in journalism and who might consider supporting our work. The board was going through its own transition with a new board chairman, Phil Bronstein, editor-at-large for Hearst Newspapers. The board members were supportive, but I felt I needed more help from them, especially in the business and fundraising areas.

## FINDING BREATHING ROOM

But in the first quarter of 2011, I had a wonderful surprise. I had given a talk in 2008 at a San Francisco Film Society event. The late Graham Leggat,

the visionary and inspirational executive director of the society at the time, introduced me to Larry and Sharon Malcolmson, a couple who had an interest in investigative reporting and documentary film. We chatted, and they came to our loft office in Berkeley. We met on a day when it was brutally hot, and our struggling nonprofit looked and felt like a struggling nonprofit. They left saying that we needed to figure out how to sustain what we were doing.

We stayed in touch. They came to hear me speak at a couple of events, and we always had animated, intense conversations. In late 2010, they told me they were going to sell their business. They would get back to me when they did. They also told me that they had been following the work of CIR and California Watch and were impressed.

---

*Individual donors can transform an organization, and the effort to find them, cultivate them and work with them is essential.*

In February 2011, Sharon Malcolmson called. The couple had sold their company and asked if I could meet for lunch. When we met the next week, they asked me what we needed. I mentioned several things. I also told them that we were facing a shortfall for the year.

This was awkward for me. The Malcolmsons, like philanthropist and previous CIR donor Warren Hellman, were unpretentious, candid people with whom I felt comfortable. But more than three years into my role, it was still hard to ask directly for money. I did not mention a dollar figure. Nor did they. Larry Malcolmson said they would make a donation to CIR after speaking with their accountant.

I had no idea what they were thinking.

The next week, Sharon Malcolmson called and said her nephew would come by the next day with a check. I said thank you.

Then she said, “It will be for a million dollars.”

I was stunned.

The Malcolmsons knew that their support would give us a little breathing room. There were no strings attached.

“Use it to keep the lights on,” Mr. Malcolmson said. They believed we were capable of important work, both on stories and in our model, and they understood how tenuous our situation was. Their support has proved to be a lifeline this year – although we still have other holes in our budget that we’re attempting to fill.

The Malcolmsons were two incredibly generous and honest people. I was able to establish a relationship with them. It’s crucial to have that kind of relationship with individual donors. When it pays off, it is based on a personal chemistry as much as anything else. Individual donors can transform an organization, and the effort to find them, cultivate them and work with them is essential.

The Malcolmsons knew that back in 2010, I had begun internal discussions with Katches, CIR Associate Director Christa Scharfenberg and others about adding a video unit. We wanted to be able to produce video for delivery across multiple platforms, broadcast to mobile. We knew that there was an insatiable appetite for video and that there is more potential revenue from video than any other platform.

One of our goals was to produce short video pieces that could stand alone or be used as elements of longer-form documentaries. Our thinking was to create content in forms that the end users could access in their own way.

Getting to that audience and seeing how to generate revenue from video was a challenge we wanted to tackle.

Sharon Tiller, who had started and overseen PBS' "Frontline/World" for nine years, had been CIR's executive director in the 1990s. "Frontline" was ending "Frontline/World," and Tiller led a talented West Coast-based team that could be quickly and easily integrated into CIR. She became head of digital media, and with our team supporting her, she headed the fundraising effort. We put together a plan with a budget totaling \$500,000. Half of that was secured with a challenge grant of \$250,000 from the Reva and David Logan Foundation, and Tiller raised the rest from individuals and one foundation.

In April, we also secured funding from a family foundation for two crucial positions, editorial director for all of CIR, which included California Watch, and a director of technology. Katches was promoted to editorial director of the entire organization, and Chase Davis, a California Watch reporter with an entrepreneurial streak and a very strong track record of technological innovation, was promoted to the technology position. We now were able to integrate all of our production and support operations into a more coordinated and organized structure. Katches, Davis and Tiller all report to me.

The day he joined California Watch as one of our first reporter hires, Davis brought an understanding and knowledge of the power of data and technology. But he had wanted to focus on reporting. In his new role, he could take his journalistic skills and apply them to new technologies, creating web-based "products" out of our stories, data and video. He also would have the opportunity to meet and engage the innovative thinkers and technologists who surround us in Northern California.

This new organizational structure was perfect: We want to be known as an organization that creates high-quality, unique, credible content that can be distributed and produced in alignment with evolving and proven technologies, while Davis wants to work in an open environment of innovation and experimentation and create his own "skunk works." It was not going to be difficult to come up with ideas. The challenge would be implementing, building or funding any new ideas. Setting and understanding priorities and seeing where they fit into our goals was something we were learning to do, and still must master.

Our new guiding triad in this strategy would be "audience growth, revenue growth and engagement."

With [Tiller on board](#), we set out to replicate our print California Watch Media Network with television broadcasters. We signed content deals with ABC affiliates in San Francisco, Los Angeles, Sacramento and San Diego. Total revenue from that was nearly \$30,000. We would deliver five pieces a year to each affiliate. The affiliates also would have access to all of our content to use on their websites.

Our strategy was based on "repurposing" video stories – in other words, take a California Watch story and do a different version for broadcast in California and for a national or international partner.

## HARNESSING INNOVATIVE IDEAS

Our seismic safety project, "[On Shaky Ground](#)," in April 2011 best exhibited the new multi-platform model. The project, led by reporters Corey G. Johnson and Erica Perez, was the result of a 19-month-long investigation into regulatory failures in construction of California schools.

The multi-part story ran over several days and was broadcast by all the af-

filiate over two or three days. We also produced a version of the story for "PBS NewsHour" and a 30-minute special for KQED television that was rebroadcast on 13 PBS affiliates in the state. KQED radio did three lengthy stories, and 10 newspapers published various versions. Nearly 130 of AOL's Patch.com sites across the state also ran it. New America Media helped distribute the story to ethnic outlets.

---

*Our new guiding triad in this strategy would be "audience growth, revenue growth and engagement."*

Public Engagement Manager Ashley Alvarado was involved in every planning and editorial meeting. At one meeting, Alvarado asked about a target audience we had not considered: the schoolchildren. No one else thought of getting the story to an 8-year-old. How would this story reach them, she asked. Her answer: a coloring book.

We had fostered a wide-open culture in which new and different ideas were encouraged. And this was new and different. Alvarado explained that most kids don't know what to do when an earthquake hits, whether in a school or at home.

She got the go-ahead to produce a coloring book. Alvarado collaborated with the American Red Cross and elementary school teachers to create a useful guide. She thought there might be interest in 1,000 books. We eventually had requests for nearly 40,000. We made calls and got underwriters. The book was published in Spanish, Chinese and Vietnamese. Entire school districts ordered them, and the books reached children in nearly 100 schools statewide. Not high-tech,

## ON SHAKY GROUND

“On Shaky Ground,” the largest investigation California Watch has undertaken to date, examined the seismic safety of K-12 public schools statewide. The project revealed how California’s Division of the State Architect has routinely failed to fully enforce the state’s landmark earthquake safety law for public schools, allowing children and teachers to occupy buildings with structural flaws and potential safety hazards.

### STORIES >>

“Lax oversight of school construction raises quake safety doubts”

Corey G. Johnson, April 7, 2011

“Construction lobby’s members included state seismic safety regulators”

Corey G. Johnson, April 9, 2011

“Troubled school inspectors slip through state’s oversight”

Erica Perez and Corey G. Johnson, April 9, 2011

“Restrictive rules keep schools from state’s seismic repair fund”

Corey G. Johnson, April 10, 2011

“Under pressure, state redraws quake hazard maps”

Corey G. Johnson, April 10, 2011

### PARTNERS >>

- Bakersfield Californian
- Berkeleyside
- Center for Public Integrity
- Contra Costa Times
- The Fresno Bee
- The Huffington Post
- KEMS TV
- KGTV ABC San Diego
- KQED Public Radio’s “The California Report”
- KQED Public Television
- KTSF TV
- New America Media
- The Oakland Tribune
- PBS’ “NewsHour”
- The (Riverside) Press-Enterprise
- The Sacramento Bee
- San Francisco Chronicle
- Santa Rosa Press Democrat
- SF Korean
- World Journal (Chinese-language newspaper)

## MULTIMEDIA >>

Searchable database – by county, town and school – to determine proximity to fault zones or other hazards for every K-12 public school in California.

myFault, an iPhone app that uses official maps of seismic hazards in California to identify dangers that one’s home, school or workplace could face during an earthquake.

“Ready to Rumble,” a coloring and activity book to prepare kids, ages 5-10, for an earthquake. Available in English, Spanish, traditional Chinese, simplified Chinese and Vietnamese.

An online resource guide for readers to get involved in earthquake safety in their community.

### IMPACT >>

Changes in public practice occurred before we published a single word. The reporting process alone led to a dramatic reorganization of executive staff, rules changes, and at least two separate internal investigations at the California state architect’s office. Our examination also convinced state officials to release records for the first time pertaining to inspector performance, and state construction officials were ordered to make it easier for schools with potentially dangerous buildings to qualify for seismic repair funds.

In May, officials voted to change state law to expand access to the \$200 million repair fund. In addition, the state Senate’s Select Committee on Earthquake and Disaster Preparedness, Response and Recovery has met to improve background checks for school construction inspectors and to investigate why so many schools lack safety certifications.

### PRESS COVERAGE OF THE INVESTIGATION:

“California Watch’s engagement efforts show staffers what hard-to-reach audiences want”

Poynter Online, June 23, 2011

“Tracking the Names”

American Journalism Review, April 29, 2011

“The newsonomics of a single investigative story”

By Ken Doctor, Nieman Journalism Lab, April 21, 2011

“California Watch is Watching: Investigation reveals lax oversight of seismic standards in schools”

Columbia Journalism Review, April 15, 2011

“Investigative series on earthquake regulations in California’s public schools rocks state’s foundations”

Knight Blog, April 11, 2011

“California Watch finds a new consumer group for its ‘On Shaky Ground’ investigation: kids”

Nieman Journalism Lab, April 8, 2011

“Berkeley Journalists Shake Up California’s Public Schools”

Fishbowl LA, April 8, 2011

but certainly innovative. Alvarado even [blogged](#) about the experience. With the help of intern Ariane Wu, Alvarado also provided an “Inside the Newsroom” [video](#) on the subject.

Over three days, “On Shaky Ground” reached 7 million people. This conservative estimate is based on newspaper circulation and television and radio audience numbers. But the stories appeared on every partner’s website as well, and they were pushed out through social media and picked up elsewhere. We did not have the ability to capture those numbers.

One reason we need to develop a better method of knowing the full extent of our audiences is so we can build a revenue-sharing model with publishers that use our stories. We worked with the Associated Press and

AP News Registry, a tracking tool that would allow us to embed code in our print and data stories so that we could gather the analytics on our audience on external sites, like The Huffington Post or Yahoo.

Through the AP News Registry dashboard, we now are able to track page view and traffic data for our stories on other publishers’ sites. This was launched in August 2011.

At the end of July 2011, we signed a contract with Ooyala, a video distribution and tracking platform with its own advertising network. This will make it possible to embed our video on partners’ websites with our brand. It will broaden our distribution

capabilities and generate revenue, though just how much is unclear.

We also are beginning to work under a grant from Google to use its AdWords network. The grant, which totals \$10,000 a year, offers the opportunity to drive more readers to our sites with the goal of increasing and “monetizing” our traffic. We have to learn how to manage that consistently and well. The better we show that we can drive traffic, the more free advertising is available on Google’s search network.

---

*Two years after the launch of California Watch, there is one certainty: The market and our clients bring us surprising ideas and opportunities.*

This spring, we redesigned the California Watch website. There are advertisements on the site, and we are projecting \$10,000 in revenue this year. We are in the process of redesigning the CIR site to reflect all the capabilities of the California Watch site, which now includes [enhanced engagement features](#).

## RESPONDING TO OPPORTUNITIES

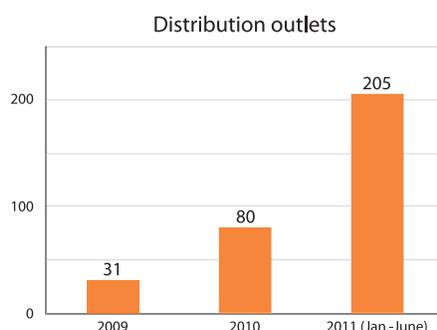
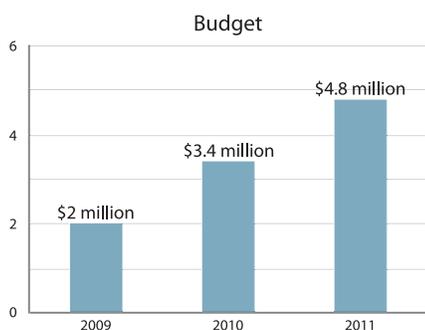
Two years after the launch of California Watch, there is one certainty: The market and our clients bring us

surprising ideas and opportunities. Late last year, an editor at one of the largest California newspapers told us that he and other editors with whom he was in contact were frustrated by the downsizing of reporting staffs in Sacramento. He said that the one-person bureaus many newspapers maintained couldn’t do much more than scramble every day and were not doing much work of consequence. Other news organizations no longer had anyone in Sacramento.

His suggestion was that California Watch and CIR take over the management of his Sacramento reporter, and other newspaper’s reporters, on one subject – the state budget – with the goal of creating a team of journalists with a mandate of doing strong enterprise and investigative stories. His suggestion was that we manage and distribute the stories to all the newspapers that became involved. He had planned to talk to other editors who he believed would support the idea.

We were surprised. An editor was offering to give up his reporter to us. He reasoned that, through collaboration, better stories would get done. We agree with him and realize we could manage this process, but, to do it right, we would need editing resources we do not have now. It’s an idea we would like to revisit at some point.

That conversation led to one our editorial director, Katches, had this spring with Betsy Lumbye, editor of The Fresno Bee. She was interested



in working with us to cover the high-speed rail issue in the state. Katches liked the idea and helped coordinate [team coverage](#) with other members of our media network – the San Francisco Chronicle, The Sacramento Bee, The Orange County Register, the Bakersfield Californian, the San Diego Union Tribune and The Press-Enterprise in Riverside.

Reporting on the rail project, which to date has focused on skyrocketing costs along the proposed route, is now coordinated among editors at all the newspapers and has involved more than 20 reporters and editors. The collaboration team holds regularly scheduled conference calls, and the stories produced can be used by any of the newspapers and other news outlets.

When we started, we viewed our organization as a content creator. But now, something is happening that we had never imagined. We also are becoming a central hub for coordinating the work of multiple news organizations that share a common goal of doing high-quality investigative reporting.

## **A CHILD BORN, NOT REARED**

As we look ahead, and look back, I see the last two years in many ways as a gestational period, rather than a birth. Yes, we have been successful, grown rapidly and continually innovated. We have learned many lessons.

We have learned we can do better and there is no room for complacency. We have learned that even with all we have done well, there is no guarantee of our future viability. We have learned that with many different funders, we must balance their needs with ours and work diligently to continue to tell our story and show what we have accomplished.

I have learned that my ability to communicate our accomplishments

and our vision to the outside is as important as communicating it to our staff on the inside. And while it is important for others to lead with confidence, I must balance that with keeping us focused on what we do best – even as we continue to change. Flexibility and change remain central to my message to the staff. And in this adaptive culture, there is also a consistent message that even with all the change, our work must be rooted in journalistic values that are the foundation of our credibility.

Another lesson, perhaps obvious to others, but not me, was how to act in my role as the leader. Leading in an evolving culture involves many challenges. One is staying as calm as possible in the workplace and frequently listening and listening and listening. Sometimes, decisions have to be made quickly, but at other times, problems that seem so urgent will dissipate and fade after an initial burst of anxiety.

As the publisher, albeit one who embodies an editor's values, my focus has to be on what will support the entire institution, what is best for the organization within the evolving matrix of innovation. This is not a period of stability. It is one of rapid change. In our own small way, we are part of the unprecedented torrent of change in technology and information.

What I have also come to realize is that, as a reporter and editor, I was at my best when things were most chaotic. I have tended to see things more clearly in those urgent and frantic moments as deadlines approached. What I found most exhilarating in my newspaper days was that, on any given day, the newsroom could be turned into a madhouse of creativity and fun by unexpected events in the real world.

## **PERFECT TRAINING FOR A STARTUP**

With its two-year gestation period, California Watch now needs to shore up its weaknesses. We have not had the infrastructure to support the journalism as strongly as we would have liked. We need more of the basics – editing, copy editing, web production, distribution help and more reporting beats. We need to figure out a better branding and marketing campaign around all of our content. We need more fundraising staff. And we need to have more skills on staff to find additional revenue from our work so that we can help fund the full potential of this new model for investigative journalism.

This does not mean we have wasted time. We have largely done the best we could with the resources we had. But it will be increasingly important going forward to manage our time better and to set priorities that are central to and supportive of our mission.

In the past six months, a great deal of our internal learning has come while working on our business plan. It has not been an easy process. A lesson I knew from the past was that we had to reach agreement on our shared goals and accept and commit to them as a team.

One of these goals is to reduce our dependency on foundations by generating more revenue from content. In meetings with business people and technology entrepreneurs, I talk about producing stories and explain how each one has been distributed on multiple platforms. Many of these people believe in journalism and investigative reporting, and they generally are impressed by what we do, how we do it and how we distribute our work. But when I talk about our efforts to raise revenue from our media partners, almost every one of

them is a bit confused. That's because they see that philanthropy appears to be working for us, and they wonder why we don't focus solely on philanthropic support. But what we realize is that foundation support can disappear.

There are inherent conflicts and challenges for the nonprofit looking for new revenue for its work. We have multiple funders – each with its own core interests. Some funders care about a specific issue. Others care about a particular region. Some want us to measure impact by audience and want to “inform the public.” Others care deeply about engagement and impact. And some funders may simply believe in journalism and the value of investigative reporting. It's nearly impossible to please everyone.

We also quickly learned that bringing in people with business skills is costly, but necessary. We have come to know what we didn't know, and working on the business plan really made that clear: We are journalists, not MBAs. As we worked on the plan, we defined what would help sustain our attempt to build a hybrid nonprofit with a part of its brain driven by revenue.

This led to an understanding that there are a wide variety of ideas that could help sustain us: Important, unique stories that make a difference may do more than anything else to sustain us. Creating a product from our data content that could take off as a mobile app might help sustain us. Figuring out the tools and knowledge to master audience engagement can help sustain us. Choosing and executing the stories that make an impact can help sustain us. Adding staff to cultivate individual donors could help sustain us. Having the staff or skills to master online and social media marketing and fundraising could help sustain us. Curated and audience-targeted data could help sustain us. Co-production and syndication of our stories could help sustain us.

It will be multiple and varied streams, large and small, that could create a river of revenue.

Our plan is not perfect, and our hope is that other investors and innovators will help us sharpen it as we move forward. We realize we need people and organizations with complementary skills to work, collaborate and meld with us.

In two years, CIR and California Watch have morphed and changed. As a group, our leadership team has agreed to focus on our three pillars of sustainability – audience growth, new revenue and engagement.

We know we can do the investigative reporting. But our sustainability and support staff is stretched thin or nonexistent. The bulk of our resources have been focused on content. If we obtain funds going forward, our priority will be on positions that create a stronger infrastructure for sustainability. We have opportunities around the customization and access to data, especially “sticky” interactive databases that engage people. We need to do more of that. We also will make a greater commitment to use animation as a tool for storytelling. There is clearly an audience for that medium. An example was the recent success of CIR's “[The Price of Gas](#)” animated video.

We know we must do better with branding and marketing. It is important that the public understand the social currency of the work of investigative reporters, whether at CIR or the other investigative reporting nonprofits. It makes sense for us to work closely with our partners at the Investigative News Network on a national marketing and branding campaign around the value of journalism and investigative reporting.

## **POISED ON A CHASM**

On a personal level, this has been a challenging and, at times, difficult

journey. I am fortunate to have had the opportunity to be part of building something unique. The torrent of my personal as well as professional ups and down over the course of my career has informed much of what we have done here at CIR and with California Watch.

But as I have made clear, there are things we can, and will, do better.

I need to help focus our priorities, stabilize our efforts, and get consistent data on our metrics and distribution. We have added editorial work without adding support staff this year, except in the digital area. This is a dilemma in all startups. You can see the opportunity, but it is a lengthy process to convince funders of the need and then secure funding.

I need to work more closely with the board and manage up, as well as down and sideways. We need to add new people to the board, with skills in technology and business and networks of contacts who can help us energetically sustain the organization.

As publisher, I have overseen tremendous growth, but in a staggered, inconsistent way. We are operating on literally dozens of different funding cycles, which makes for disjointed planning. For example, we are securing funds for a distribution manager, even as funds for reporters are becoming depleted. We are relatively confident we can keep the funds coming in this way, but think about what this way of operating would mean if you were running a newspaper.

Imagine a scenario in which your reporting resources and the costs of publishing the newspaper were set until the end of the year. But in October, the board of the group that has funded the gasoline for your delivery trucks decides it has a new priority. Your funds for content creation are restricted, and you can't find another

gasoline funder, meaning you can't get your newspapers out to your home-delivery subscribers. Your entire organization has been disrupted as you scramble to find a new source of revenue to pay for the gasoline.

Siloed grants mean you are managing in a fairly rigid environment. General support funding can lead to more flexibility in managing, but these types of grants can be especially difficult to secure, given a foundation's desire for outcomes that meet their specific goals.

Just as foundations encourage nonprofits to collaborate rather than compete in certain instances, it would be helpful if foundations collaborated more with one another to fund projects in which they share an interest. Such pooled funding could ease the precarious fiscal straits many nonprofits continually encounter. California Watch was lucky to have three key seed funders that worked together. Now we are working to renew that collaborative approach.

Even when wearing my publisher's robes, underneath I am still a journalist. My own work is no longer focused on telling other people's stories, but on telling the story of the organization. We are constantly evolving that story to the changes and opportunities that swirl around us.

Ours is an important, fragile mission. I am not doing this simply because I love journalism and all the adventure and romance of what that conjured up when I was a young man. What we are doing has social value. It is not without risks. Oakland Post Editor Chauncey Bailey was murdered because he was a journalist. There are few professions in which people are killed because of their line of work or because of who they stand up to. In this country, the killing of a journalist is rare. That is not the case globally.

---

*Even when wearing my publisher's robes, underneath I am still a journalist. My own work is no longer focused on telling other people's stories, but on telling the story of the organization.*

Totalitarian states use and manipulate information to create environments of fear, and they use the fear to exercise control. Those who take a stand are considered mortal enemies of the state. Those enemies are targeted and eliminated, and they are often journalists. That is still the reality today, even with the revolution in technology that has opened up the world to information and communication.

In the months ahead, I will be working to secure the future of California Watch and CIR. The future means securing bites of two to three years of funding – if we are fortunate. When I look back at the last few years, I am satisfied by what we have achieved. Looking ahead, I can see what more we can accomplish. In a reverie, I might see a secure future.

As a journalist-turned-publisher, I can see clearly that I have to deal with reality. My job is to secure the funding, protect what we have done, bring in the supporting staff to sustain it, and continue to evolve and innovate.

What we have done in the last two years has exceeded many expectations. But we're poised on a chasm. We may fall or keep our balance or leap it.

When I started this job, I had never been great at asking for help. But I'm over that now. I have had the op-

portunity to give some talks to some wonderfully successful people, including from the tech world. In one talk I gave at a News Foo event, I had five intense minutes to state my case using pictures or slides, and they switched every 30 seconds. Among my slides were a guillotine, symbolizing getting fired, and at the end, a picture of a futuristic train flying into space with the earth shining like a gem below. It symbolized an unknown future.

I ended that talk, pointing at an audience of very smart Silicon Valley stars, and told them there is a solution to this challenge of sustaining journalism. But it's going to take people like me working together with people like them. It was a challenge, but also a call for help.

For all of us, a relatively small group of innovative, entrepreneurial journalists, the mission is to forge a model that ensures that journalism and investigative reporting survive, fulfilling their role in informing the people and protecting democracy. For me, the most rewarding and exciting journeys have involved risk and the unknown. So far in this job, I haven't been shot at or thrown in a dungeon – or even fired. But it's still been the most challenging and rewarding experience of my career. And the journey continues.

•••

# REINVENTING JOURNALISM

## 10 LESSONS LEARNED (IN NO PARTICULAR ORDER)

I've learned many lessons in my time at the Center for Investigative Reporting. Some I knew already. Others I had forgotten. And then there were some new things I should have known and had to learn the hard way.

Managing can be a chaotic process that you cannot control. If you can't handle good and bad surprises,

can't let strong and creative people succeed, can't handle being challenged, and can't deal with disappointments along with successes, then don't try to lead a nonprofit – or a for-profit, for that matter – news organization. You must understand in your gut and heart that learning is a continual process.

– Robert J. Rosenthal, *Executive Director*

- 1.) Be honest and direct. With staff, with funders, with partners and collaborators. We are all learning, growing and experimenting, and those processes require openness.
- 2.) Take risks. Innovative and creative environments are charged with uncertainty, and taking risks means that failure has to be acknowledged. Not everything you try will be a success.
- 3.) Don't forget your mistakes. They will be among your and the organization's best teachers.
- 4.) Build your team. Help them succeed, and make sure you include people who are skilled at and passionate about things you don't do well or even understand. There are endless new opportunities for journalism organizations; your team should have the skills, experience and diversity to respond.
- 5.) Trust your team. In this age of technological innovation, new forms of storytelling and potential for large audiences, you need a creative, passionate team that you guide but do not control. Do not think for others; let them think for you.
- 6.) Collaboration is crucial, internally and externally. Easier said than done.
- 7.) Understand, manage and control your ego. Others get credit, not you.
- 8.) Stick to your principles, ethics, instincts and experience, but be willing to change your mind, too, and realize you have just learned something.
- 9.) Stay calm. Sometimes the best response to a crisis is to stay calm, even to do nothing. Time and events can solve what felt so overwhelming in the heat of the moment.
- 10.) Listen. Listen. Listen. It's a basic tenet of reporting: If you pay attention, the story – or the solution to a problem, or the next great idea – will emerge.