

## LOCAL PUBLIC TELEVISION IN 2012 Maynard Orme, OPB

### CONTEXT

#### Public Service

As a prelude to this statement, there are two things that stand out in my mind as given to this enterprise. First is that we continue to focus on the public service aspect of our mission. Whether it is instruction, children's programming, the how-to cluster, information, drama, public affairs, science, history, nature, or any other genre, our mission must always be focused on what we do for the public good.

#### Mission

Second, is to make sure we separate ourselves from the goal of profit first, mission second. While the concept of "No Margin, No Mission" resonates, it has to be the mission bringing in the margin, not margin for margin's sake. One can see what has happened to commercial radio and film houses. They have passed the tipping point of advertising and people are deciding to stay away. We are getting closer to that. While it is tempting to describe an almost commercial scenario for our future, I am going to assume for the purpose of this statement, that this doesn't happen. If it does, there is no point in this exercise, as we have lost our reason for existence.

#### Federal and State Funding

Another issue is federal and state funding. I am going to assume that federal funding continues without a lot of growth. If it were to go away, it would drastically change our financial future and a cascade of catastrophic events would, of course, occur. State funding continues to be an issue, as in many cases, state networks have lost millions of dollars. This, I believe, can be managed, if federal funds stay somewhat intact.

#### Refine Existing Technologies

Given these observations, I think in six years, we may not see deep change at the station level, but a continuation and a refinement of new technologies that have been or are being integrated and in most cases, are already in place. The technology convulsions of change over the past decade now need to be assimilated into the local station strategies. In many stations, this is already happening

New technology often takes the part of the old technology that isn't as well suited to new applications, and redefines its use. But the legacy technologies remain. Stations must pay attention to continuing to maximize membership and other legacy activities as they plan and implement new technologies, akin to changing the bicycle seat while in the middle of the race.

The long history of new technology gravitates, ultimately, from a mass to a singular experience. The handwriting of books meant that documents had to be shared. As print became prolific, everyone had their own copy and community sharing wasn't necessarily the norm. This is clearly happening in our digital technology world. The ultimate push is to have everyone do their own thing. It is what the proliferation of channels and internet storage is all about. Everyone will eventually have access to their own library, whether real, on shelves, or stored in a computer. In this world, station or system ownership of content rights is paramount. As the younger generation matures, they seem less interested in owning copies, but in having them for use, stored somewhere, and available when they want them. This means that public TV has to develop a pay for use strategy as the technology allows. That can have impacts in every room of the house, and in the external world, as people move from one setting to another and partake of content while on the move.

It is yet another reason why public TV stations shouldn't give back the six megahertz band width. It should be used to provide a plethora of individual and community services, inside and outside the home. There will be a time, I believe, when stations will regret the give back without a fight to retain it.

(Perspective #1) THE LIVING ROOM...AND...

Though a defocus on the living room television experience may not happen in six years, I don't necessarily see the living room as the place where most viewing, ultimately, will take place. Just look at what has happened in the world of sound. It has moved from a fixed location to everywhere the person moves. Television is now in almost every room of the house, and will be in all modes of transportation because, with the development and proliferation of video IPOD technology, and the increasing speed of transmission and storage capacity, people will view wherever and whenever they want. We have said this was coming for several years, and now, it is here. The living room will still be used, but will become less important, unless the viewer wants a full screen HDTV experience. This will certainly occur but may not be the primary place of viewing. This rapid growth of storage space and speed of transmission, changes the parameters to encompass a myriad of viewing places and platforms. In time, people will put their own visual media reception strategy together as they pass through their day. And it will change how stations deliver content. Already, the younger generation uses their computer interface to watch television, and has been doing so, more and more, for the past decade.

## CONTENT

That stations will want to develop some content control over products they buy or produce, whether national or local programs, cannot be restated enough. The current focus on multi platform rights issues by PBS is the key and will not be financially easy.

New ways of looking at content development partnerships will have to emerge. And content priorities will need to be decided. I believe the slow growth, even minimization of national production funding, if not fixed, will slowly strangle station revenue. It is the

prime time schedule and its related media experiences, after all, that brings in member dollars. This legacy need will continue. Web presence will continue to grow rapidly. It is beginning to rival radio audience size and perhaps one day will surpass TV audience size.

The three driving forces of public service television are education, quality of product, and local focus. The local station that figures out the balance of these three variables has a good chance to prosper.

I think the station that focuses primarily on television will not thrive. And I think this “Imagining” exercise must ultimately not limit itself to that parameter. Digital service of all kinds, whether sound, web driven or TV, will add to the possibility and growth of the station mix.

Stations will have to respond to the constantly changing community dynamic and focus on the ever changing issues of how to survive and thrive in this new world. People are going to need help figuring that out and the local station must develop priority topic related programming, for older adults, for youngsters, whatever, that will respond to the highest level of community need. A successful local station will have a range of specific channel niches and offerings. They should focus on what drives the community. And each community public TV station will solve this problem somewhat differently.

While there will be national content channels (such as children’s, public affairs, what have you), The smart stations will find a way to provide local and regional service channels in partnership with other public TV stations and other nonprofits. And, as I said before, it can’t just be television.

There is a big opportunity in the development of educational video games that are non-violent. Efforts have been made in the past, but this area is proving hugely lucrative for the violence game creators. I believe this is a market that PBS, CPB and others should invest in. It is our niche. There have been many false starts, but we must resolve this one soon. The DFI efforts to do instructional games in biology could be a bellwether. (We have worked on this aspect at OPB and, no question, it is a difficult one to figure out, but, creatively, I believe it is a must.) Video games bring in three times more gross revenue than movie theaters

## DISTRIBUTION

Ultimately, the television broadcast schedule is less important than content access by the user. This is not new news. We are beginning to see video on demand assume a priority in people’s lives. Many local cable companies are offering a plethora of VOD services. Some people will access them from cable, others will use TIVO type devices and still others will download TV programs off the computer in real time. Yes, some will still turn the TV on to see what they want to watch. Local stations will have to prioritize how they distribute these services, and where they can develop revenue, either through a pay for view or membership strategy. While it is not clear what will happen in revenue

generation with off air data delivery for business or personal use, it is still an area that should continue to be explored.

## (Perspective #2) COMMUNITY FOUNDATION BOARD ROOM

People and foundations give to institutions that meet community needs, and generally, not to stations which have needs only. In that regard, the case of how the station meets the most important community needs, and are seen as the historical conveners of these high priority issues, should be the focus of the questions to be asked by foundation staff. (In Oregon, lack of political leadership, quality of education, environmental quality, workforce issues, health costs, drugs, child abuse and the economy, for example, are topics discussed continually.)

The station should partner with other regional stations, as well as local institutions, to produce an engaging content mix and outreach strategy to go after foundation funds. Partnerships are the order of the day. Foundations don't want slap dash community treatments. They want something that will have lasting value inside the community. A good case statement, quality production, a plethora of distribution modalities on high priority topics, and local institutional follow through, plus ways to measure long term success, should be enough to convince revenue sources to support priority project needs. So, the question to be asked is about the station track record in the past and the quality of the current project. Without a track record, getting new money will be difficult. But partnerships strengthen the funding request. (The Life by Design Northwest project, involving nine Portland community agencies and businesses, is designed to integrate the baby boomer in civic engagement activities, and is just such a case in point.)

## (Perspective # 3) FROM INSIDE THE STATION

Internal station support needs to grow in the areas of content development, major donors, volunteer services and community partnership development and training. Emphasis of priorities will depend on community focus, but I believe all these need to be richly developed.

### Content

In content development, the station needs people versed in the various aspects of content production, from knowledge of TV, radio, web development, and written materials. This cross fertilization of staff is a key in developing a beginning to end community project strategy and follow through. Those who have the ability and ease to cross over from discipline to discipline, will be the stars, because they will know how to develop in depth projects that touch a variety of distribution platforms in effective ways.

An important content strategy for some stations is in the area of education and instruction. For many stations, this is a primary priority. For others, it is not a priority. Again, the local differences will be evident. (At OPB, we have a strong education production unit that has raised millions of content dollars.) But, offering education services is a legacy that should be evaluated. I think this is a difficult station future to predict. The DFI could be instructive for local stations as task forces vetting these priorities, make their recommendations.

### Major Donors

While the initial station membership is important, major donors are one of the key revenue stepping stones for our future success. At OPB, for example, one percent of our major donors count for 10 percent of our membership revenue. I expect that number will double in the next ten years. Stations need to build a bigger station infrastructure for major donors, endowments, and need to focus on running capital campaigns on an almost continuous basis. This requires making the case for public television, and this case translates directly to the local foundation funding community.

In major donor development, training people with expertise in the intricacy and delicacy of planned and endowment giving will be more valuable than ever. And they need to know how to sell and close. Nothing is more valuable than that. New talent needs to be cultivated, even if they come from competitive institutions. We have such a grand case to sell.

### Volunteers

Given that funding will be more of an issue, and services will become more niched, stations will have to look at their workforce in a different way. The power of the volunteer is becoming more important. As the 80 million strong Baby Boomer Generation begins to flex its muscles in retirement, they will want to offer their services to stations as volunteers, and we need to offer these volunteers jobs that are more complex than answering phones. High quality volunteers with experience and wisdom, will want to develop and manage projects, and that integration will be a challenge for many stations. But it is an avenue for station growth. Indeed in the future, one job description could have a range of compensation applied, from a full time paid position, to a person working at a minimum wage, for medical insurance, for half pay, half volunteer, or total volunteer. Human resources departments will have to look at the volunteer as an employee, at some level. I think stations will need to merge their volunteer services infrastructure with HR departments and look at each person as an employee, whether paid or not. These people will be in all parts of the station, lending support and allowing the station to do more than they could ever do with just paid staff. Therefore, a growth opportunity for the station is the development of high quality volunteer integrators on staff.

### Outreach

Outreach programs require talented people who know how to build effective community wide partnerships and integrate them successfully within the station infrastructure. This can be related directly to the volunteer efforts as well.

### Training

Training of all kinds, from leadership, minority training and internship programs to digital training, et al, are part of a station's success as it helps develop talent from the roots up, and continues to train staff. Successful stations will have cultivated many of these programs, and will have people on staff that have been grown and trained internally.

### Communications and Branding

No station can be successful without an engaging and effective external and internal communications plan. Brand management, station look, and the discipline of that activity, in a competitive media environment, become more important if a station is to continue to succeed.

### Station Values

Every station should have worked through its own internal mission/vision/values clarification so that every employee knows what is important to the organization, knows that they will be treated fairly and well, knows that they have some continuing voice in the station process of growth.

In short, the station that is on the forefront of defining and implementing priority community needs, is constantly responding to those changing community dynamics through programs and outreach, is offering an integrated content development and distribution strategy, is letting the community know about their importance, and has an effective fundraising group, focusing on developing the major donors base, should survive and prosper. When walking through a station, the space given to these priorities should be visible and the human energy and vitality in making these efforts happen, should be evident.