How to start an online newspaper ?

NEWS

The complete startup guide for a successful
and money earning online newspaper

By Mike Fak, Editor: www.logancountyherald.com

Contents

Introduction

Back in the 1950s, Chicago had four major newspapers. In the morning there was the Chicago Tribune and Chicago Sun Times. In the afternoon the Chicago Daily News and Chicago Herald American vied for readership. The Trib and the Times both boasted almost a million readers back then and printed three editions a day with the afternoon papers not far off at almost half a million subscribers each.

But Chicago, like all major cities, was and still is broken up into dozens of neighborhoods: From Wrigleyville to the West Side, Logan Square, to Portage Park and on and on with names sometimes as colorful as their inhabitants.

Back then, there were probably fifty sections of the city that were in and of themselves min-cities all their own.

Those neighborhoods, sometimes with strong ethnic ties, had their own grocery stores, and shoe stores, drugstores and eateries, doctors and lawyers and butchers and bakers as well. They were a separate world within the great city and inhabitants considered themselves part of their neighborhood as readily as they called themselves Chicagoans.

Into these neighborhoods were also born neighborhood newspapers. Almost all once-a- week editions, these free papers were swallowed up at the stores that carried them faster than all the giant papers of the day. The reason was simple. This paper was about their neighborhood; it was about them, and people loved to read about themselves and their friends.

The content was never earth-shattering. Perhaps the local pool hours for the summer were being announced. A new shoe store was moving in or an old newsstand was closing up after many years. Local scouts, church events, and obituaries of neighborhood friends with much more detail than could be afforded in the bigger, more expensive papers were in these little papers: and the neighborhood people grabbed them up as soon as they hit the stands.

The papers made a living by getting neighborhood businesses to advertise. It made sense for those businesses back then. The brunt of a shopkeeper's business came locally and advertising rates were considerably less than they were in the giant papers.

And so these little mom-and-pop papers made a good living for years and although many are still in existence, many have folded after being bought up by newspaper consortiums that have forgotten the lesson taught by those early papers. The neighborhood newspaper needs to be about the neighborhood and not somewhere else.

In this eBook, you will learn how to create a viable, money earning, online paper with that one basic rule as your guide.

The search for a webmaster

When I left my previous employ as managing editor at another online only publication, I had helped build readership and thus ad revenues to well over six figures. In a small town in one of the smaller counties in Illinois, that was unheard of in the paper business. But still I felt there was more, and could be more that we could be doing to gain further readership loyalty, be an important part of the community and make a good living in the latter stages of my newspaper career. I felt the publication I had worked for was losing their way with too much AP and copy and paste stories that readers could find in literally thousands of other websites.

Finally I decided to take all I had learned and create a neighborhood newspaper just like the ones I read as a child back in the 1950s.

The first task was to find a design: a template that would give readers the look and feel of a real paper only this time on a computer screen. The task of finding such a format almost made me give up my search and the idea of making a newspaper more than once.

Studying dozens of major online newspapers was no help. Almost all have become enamored with the electronic world they are displayed in. They all have too many intrusive ads surrounding the masthead to the point you almost don't know what the name of the paper is. They all have annoying dropdowns and giant ads running across the screen that makes it obvious the geeks and not the news people are running their websites.

I decided to go on a search of smaller papers in smaller towns all across the country looking for that elusive template that said. "HERE IS WHAT AN ONLINE PAPER SHOULD LOOK LIKE". I continued to be disappointed in my search. For one, many of these smaller papers were owned by bigger conglomerates and as such had the same template as that company's larger papers used. Still others were just a mess of too many things in too small a space to make the paper worth looking at. I was beginning to worry that I wouldn't be able to find something ready-made that I could turn into a new online paper. Would I have to sit down with an expert and after a great deal of time and money have what I want? The notion depressed me as much as my search for the eventual webhost would.

Looking for a webhost was harder than finding the right looks for my newspaper. Oh there are hundreds of webhosts out there and they all are sure cheap enough, but at my age I have learned that cheaper rarely converts into better.

What I wanted in my webhost was service, server capacity (A newspaper can't afford to go down or you will lose your readers) a template design that would make me feel like I was producing a newspaper and lastly, but most important to me, I needed an online newspaper software that was easy to use, easy to understand and one that gave me the flexibility to change some things that I didn't like. For several weeks, I felt looking for the Titanic must have been easier than what I had embarked upon.

As an old salt reporter, I never just jump into something on the web without doing some homework. I looked at "Ten Best Web Hosts" and other ratings sites and compiled a list of hosts that showed up on more than one of these lists.

I then visited these sites and got nowhere fast. Many allowed me to look at the hundreds of templates available and that was a joke. Most templates offered by these hosts look like something the third graders at a school would pick to have their drawings posted on. Too many colors with too many ancillary things that did nothing but make the template look cluttered were what I continuously found. What was worse was that the templates, outside of colors, allowed no changes to their format. They were truly "what you see is what you get" and what I saw wasn't worth getting.

I also noted that many boasted of a million or in some cases millions of clients. Call me a skeptic but if I have a question I need to send to them, I don't want to be number one million and seven on the respond list.

I will be honest and admit I did make a few mistakes. I figured I would grab my domain name, practice with a host to get the feel of things and continue my search for templates.

My first foray was with one of the biggest. As it turns out in later emails, they do care about their clients but to me their system from multiple passwords that had to be hard or they were rejected to poor choice of templates gave me to say goodbye to them.

However, I made the mistake of registering the domain name logancountyherald.com with them and I shouldn't have. That locked the transfer of that name to another host for 60 days.

I signed up with another host that boasted more than a million users and they were and are terrible. I used a blank template just to start getting local news online and get the word out that a new local paper headed by three ex-paper people was being developed locally.

I had to use another domain name that was similar but cumbersome to remember but still readers came and most of them saw the paper. I say most because this host, which does a ton of bragging, never mentions how much "UP" time they guarantee and after a few weeks of seeing fully 10% of hits going to '404 server error', I knew I couldn't stay with these people even if I found templates that they would accept to host.

And so now more than a month into looking for a host and format, I had resigned myself to having to hire someone to build my site and pray I could find a host that would accept it and stay the heck online so people could read our stories.

And then a friend of mine said he too was doing some searching for me and came across a web host I might want to check into called Techcruiser. I took a look at http://techcruiser.com and saw for the first time a newspaper CMS that actually knew what a newspaper should look like. The preview sites were cleaner and more reader friendly than any others I had seen and they said they could make changes which means I could drop something or change something; or they could, to tailor the new paper to what I had in my mind.

A couple of the examples were way too busy for me and looked to be trying to be a complete international paper, which number in the thousands on the web. It looked like they decided to go up against the big boy papers and I wished them well but I had another niche in mind. The point noticed was this group of papers, although similar in a few ways, had totally different looks. They had their own style and that told me here was a company that wasn't going to say. "Sorry that's the way it is, we can't change anything."

What really stood out for me was that on their online newspaper templates the ad spaces were large and were obviously built for real advertisers.

What I mean by real advertisers is Joe's Shoe store or Ralph's Grocery store. These people understood that one local ad placed in a local paper could get more ad revenue than all the Google, MSN and Yahoo click-for-a-penny ads would ever get a person.

I took them up on their 15 day free trial and again, to be honest, I didn't do much with it at first. The practice site had a little too much Flash for my liking. A full ten different stories with pictures and captions of stories around the world didn't make me feel at home.

I spent the next few weeks working hard to gather local news stories and post them in my temporary website at www.thelcherald hoping something would happen that would get this project really rolling.

I also learned something else that was very important during those days. As I went to every event during that time, and I mean everything, promoting my temporary site, people were telling me they loved the temporary site. "It's easy to read". "It's so basic" "I love that everything makes sense" were comments I heard over and over.

It became obvious that the website I hated because it was too Spartan and sophomoric-looking was a hit with local readers. I remembered back to a lesson I had been told by an old editor decades before "Sometimes less is more". He was right. And then everything fell into place in my mind. Be simple and clean and easy to navigate and the readers will come, and come back again.

I received an email from Techcruiser noting my 15 day trial was almost up and that I hadn't really dabbled with the practice template very much. They asked if they could do something for me and I explained the multiple 10 story flash format on the practice template wouldn't work as even though I would have local stories, having to produce ten local stories a day would sometimes be impossible.

I mentioned in my response that the closest thing I had found to my idea was one of the sites they hosted for a small town in Ireland but it still had several things I didn't like including too small a font, a subscriber section (we would be free) and several other items.

Their response was "No problem." After a few short emails asking for this and for that to be changed, and receiving responses saying "How is this?"

I found I was actually creating a clean, clear, and easy to navigate and read paper and I couldn't wait for the 60 days to come so I could transfer my domain over to Techcruiser.

In the meantime, I was storing some articles on the new site, and learning how easy it was to post things and bring minor changes to a story or picture if I thought a bit of a difference would help catch a reader's eye. By the time we were able to switch over to www.logancountyherald.com here was a nice full edition for readers to find. I changed the old website at www.thelcherald.com by posting boldly that we had moved and to click the new URL for the redirect.

The response was enormously positive. The Herald had arrived and we had found a responsive, aim to please, webhost that actually understood what a newspaper online should look like. But more important than that, the readers absolutely loved it. People were spreading the word about a new, local paper that was fun to read and page requests started moving along from a hundred a day to several hundred to more than five hundred to a thousand a day in less than three months…and there were people out there who still didn't know about us.

What is driving the Herald to success and how you can do the same?

When I and Marla and Nancy and Tim decided to create a new local newspaper, the first thing we did is embed ourselves into the community and find out what they wanted to see and to read. We have always been visible, around the town newspaper people, but we needed to get everywhere as soon as possible to make the Herald known. All the search engine submissions in the world can't replace going to one local ice cream social and telling everyone to visit their new local newspaper.

I passed out a thousand business cards the month we began with the temporary site and asked everyone who would stand still long enough what they wanted in a local paper. I knew that the weakness of the two other publications in the county was that they were printing or posting what they wanted people to read rather than what people actually wanted to read and I wanted to make sure I didn't make that same mistake again or the Herald wouldn't survive.

I was schooled that month and found out my idea of a neighborhood newspaper with some regional, national and international news wasn't what folks wanted. What they asked for was more local everything. No one said they wanted Cubs, Cards or White Sox stories. They could find them in a thousand different places on the web. The same for business and other news, they already had their favorites. What they wanted, what they were saying they weren't getting enough of was more local news.

This unanimous response reminded me of another bit of sage advice that I had forgotten that an old veteran editor had given me in my days as a columnist. I had just written a column about some crook out east that had gotten away with a mail fraud conviction. The editor called me into his office, holding up my copy…before everything was on computer, and he tore the story up. "I have hundreds of educated idiots through AP that can give me this kind of story. "What I want from you is local and nothing but." Everyone in town was now telling me the same thing. The concept was so basic, so fundamental. Kids, adults: their replies were all the same, "We want to read about us." It felt like we had re-invented the wheel. Now all we needed to do was to get it turning with some speed.

Using social media to build your newspaper

I'm 64 years old and the last thing I ever envisioned myself being was a Facebook user. I remember typesetting, fedoras, a cigarette dangling out of the side of the mouth as keys on an old Underwood typewriter banged out triple copy news items.

But I have changed. And I have changed because I see that social media really does work.

By a fortuitous stroke of luck I wasn't able to create a Facebook business account. It is more difficult than a personal one and requires more detail and setup and I quite frankly lost my patience with it all.

So instead I created an account under my own name Michael Fak, and that has been a real help in getting the word out about the Herald. First off, it is more personal than a business address. It is more, "Hey guys, check out the story on so and so we just posted in the Herald at www.logancountyherald.com.

We get feedback, suggestions, praise and a person to person sense of communication that beats any Facebook business account. It is more like friends chatting and friends like to help friends and thus they read a story, spread the word through their own Facebook and the results can be exponential.

By having person to person conversations with readers that are in turn monitored and read by other readers we expanded our loyal reader base and allowed readers to feel vested in the Herald and they are rooting for us, for themselves, to succeed

Here is a perfect example. In downtown Lincoln, a poor lost deer rammed through the plate glass door of a beauty shop. Badly hurt, police had to come in and find the deer inside the building and put it down for humanitarian reasons. A deer downtown is different news and I rushed home and posted the story along with a picture of police ready to go into the shop.

I then told my Facebook friends who in turn told all theirs and in just a few hours I was getting bulk emails back saying "Hey everyone check out this crazy story in the Herald."

That story by the way had almost 1,000 hits that day. We were almost brand new at the time and the one friend who had stepped up to advertise with me, said everyone must have seen his ad that day and to let him know when it would be time to sign a long-term contract. And he has.

Now there are other social media sites out there. Twitter is big but it seems to overlap Facebook and having too many things to have to keep an eye on can slow the most important job I have….getting more neighborhood news. Good local product is essential, but making sure people know it is in the paper "right now" is just as important.

Our decision to be a corporation

I'm quite sure no business has the flexibility of creating a business model more than an internet venture. For just a few dollars you can get a domain and a host and you are off and running. I can't think of any other business where you can say, "I don't have any money, but I don't really need any to start online newspaper." Now that might be true but starting out really small with your paper means the road to viability and profitability will be longer so I don't recommend you start this venture without some working capital.

In the case of the Herald, we decided to become an S corporation which allowed a shield on liability but a tax requirement the same as an individual proprietorship. This was our decision and you can decide otherwise with no effect on the product save perhaps the amount of paperwork at tax time.

I had other ancillary income coming in from writing projects so I determined I could be comfortable the first year with a $1,000 draw each month. Marla has a good part time job so she became a sublet writer, as did Nancy with each being paid for each assignment they turned in. Tim also became a sublet vendor supplying graphic arts and such for set fees. All of us were willing to take less to get the Herald going and to make sure it would stay going. By my being an S corp. and everyone else being sublet workers, we avoided the need for payroll software and accountant's fees. Now all sublet employees have signed agreements noting they are required to pay their just and fair taxes and they will receive a 1099 at the end of the year, but this makes bookkeeping much easier.

I have already mentioned that all of us are well known in the community and that is a must to have a successful neighborhood newspaper. If you are, you have a great head start but in the event you are not then I recommend you partner with someone who is well known in your market area.

How we moved along

There is so much to explain that I believe it is important that we look at this venture in a step by step process.

First, and this might seem obvious, is that you will need to determine the name of your paper. I recommend something that has a relationship to your community and to avoid some of the silly names I see on some papers. Gatehouse Media Services name some of their online papers the "Wicked Local". A silly name that only shows computer dweebs and not news people are running the sites. Plus a name such as that will turn off some older readers who still take their news seriously.

We chose the Herald as a sign of our respect for the history of the newspaper in our county. Back in the 1850s, the Evening Herald was the principal paper in our county, so we dropped the evening part (since we post early each morning) and explained our choice to the community. It went over well and also showed we had respect for the job we were taking on. Silly or cutesy names are fine for blogs but if you intend to run a professional newspaper then choose a professional sounding name.

Then it is important to sit down and work out the finances of your new business. Will you start part-time or full-time? Will there be others involved or will it be just you to start? Do you have some quality writers in mind that can cover events for you for a set fee per story or photo array, especially if you are part time? Depending on where you live will dictate how much to pay for a freelance story. It can range from $25 to $75 per submission and you will have to find out what the good writers in your area think is a fair price.

Like any small business you should make up an expense sheet and list all the costs involved on a monthly basis. Your draw, freelance costs, incidentals including newspaper hosting and necessary software needed as well as computer additions etc. should all be factored into a monthly cost. A good rule of thumb is to have enough cash on hand to last six months without any income coming in. That working capital will help take the pressure off the finances and allow you to concentrate on getting more local news for your paper.

You can find that capital several ways. One, is you have it already. Another is you go to the bank with a financial plan and borrow the funds

or establish a line of credit. The third is to sell some of the new business to local folks who like your idea and see the new venture as a sound investment.

At the Herald, we used investors for a portion of the business capital. That way, we didn't have any debt to repay and it allowed us to concentrate on getting news and not worry about a dwindling checkbook. We sold 30% of the ownership thus allowing decisions to be made by myself without any concerns of an outside majority disputing or rejecting any of my ideas (allowing that they have sage advice from time to time).

Having a stronger than needed cash position allowed us to take advantage of several options that we wouldn't have been able to take on if we needed to watch cash closely. One was an office downtown; larger than we needed, came up for rent just 2 months after we started and before we had sold any advertising. Owned by a good friend, it was offered to us at half the rate of the smaller available offices in the area. We had to grab it and since we had cash on hand, we were able to factor in rent and utilities that we had not planned to need until later into our first year.

We have included the original business plan at the end of this book so you can see how we approached the sale of our stock. The last page, with numbers and projections, has been left out as we don't care to give our competition any chance to see the inner finances of the Herald. Make sure that you do include a list of expected expenses as well as revenue estimates in your plan. Be honest and add costs to the high side and revenue projections to the low.

In the case of our investors, they all are in this for the long haul, expecting no dividends for at least 2 years to allow the Herald to gain solid footing in order to expand and to thrive. It looks like we will be able to start dividends next year but getting investors who are dividend or yield happy is far worse than borrowing money from a friend or relative.

We did not put an ad in a paper asking for investors. Instead we made a list of community leaders and other people who have invested heavily in our county and then approached them on a one on one basis. In effect our investors were hand-picked…and they have been great supporters of our efforts. They also are all great business minds and their input has been invaluable when we have pondered expansion of news related ideas.

If you have followed me step by step to this point, you now have a name and the money to get the paper going. Now comes an essential decision: determining who your webhost and webmaster will be. I have gone over this earlier in the book and I strongly recommend Techcruiser. There are other newspaper website software that are cheaper but cheap isn't any good if they can't keep your website up all the time. They also might be much bigger, but most of them are so big, a single client is meaningless to them. Of all the things that we have done the first eight months at the Herald, absolutely no decision we made was as important as our choice of Techcruiser. And I promise you if I felt otherwise, they wouldn't get even a mention by name as those other sites didn't earlier on in this book.

Expecting now that you have signed with Techcruiser, you will need to register your domain with them and set about practicing with the template you choose. Also, study all the ins and outs of the system by reading all the "Documentation" highlights that are at the lower left of all the pages in their control panel. It's a good idea to ask Techcruiser to keep you offline at this time. They can give you an access URL to work your site but it won't show up on browsers.

Next: get a ton of business cards printed up. I recommend professional cards and not cards printed on your computer. People can readily tell the difference.

At the start you might only have your name and a phone number plus the eventual URL of your paper. In our case I had the temporary site and explained we were building a new one that would be online soon. We all used our personal cell phone numbers as numbers to get in contact with us.

And so we did what we could with the temporary website waiting for 60 days to elapse to transfer over the real domain name we would use with Techcruiser. Yes, that meant a reprint of more business cards. People thought it was funny as I explained my mistake. I had registered the domain with a host I quickly found out didn't understand what a newspaper should look like on the web and now I had to wait. In the meantime, they could see our product at the temporary site and I implored everyone to give me feedback. Everyone thought this a refreshing change of pace as the other publications rarely answered anyone's email.

We also made a true effort to go to every local event imaginable spreading the word on what we were planning to do. We took note pads and wrote

down the emails of everyone we talked to that could be a source for us to obtain local news items from.

The list of potential submitters is huge even in a smaller community. Secretaries and teachers at local schools can send you announcements of activities and let you know when a good photo-op or story requires you visit the school. Members of civic organizations and church groups that are in the know are important leads so we got their names, if we didn't already have them, and got them enthused about what we intended to do. We talked to all the businesses and explained to them we wouldn't just put on their public relations pieces that are really ads for them but that we would use their work when it is genuine neighborhood news. Examples would be employee of the year announcements, or an expansion of the business, or a name change, or an employee, after decades, retiring from their employ just to list a few.

I also began lining up speaking engagements at as many civic, church and social organizations as possible. During speeches I spent just a small amount of time explaining the Herald's intentions and plans. Instead I spent most of the time asking everyone what they wanted to see in a neighborhood publication. This allowing the community to feel a true sense of being a part of what we are doing and going to do and freely accepting all feedback, whether good or perhaps not, has helped develop an even stronger link with the community.

Although the Herald has an office, it isn't initially essential. Decide if you will have a physical presence immediately or will you work out of your home. Although not a true necessity to start with a storefront, our sign on the storefront window with our name on it is a great advertisement for us. Every day, people drop in or stick their heads in the door. Sometimes it is to offer encouragement. For several months folks who didn't know about the Herald would come in and asked what was going on and we always found time to tell them and show them on a computer what we were all about. It has also become obvious to all of us that the office gives a visual legitimacy to the Herald that isn't possible from a work-at-home publication.

As mentioned previously, in the case of the Herald, we intended to wait until about 8 months in to our venture but when a great, and inexpensive, rental opportunity arose to be in the downtown area, we decided to jump on it and move our business plan ahead about 6 months.

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