Review

The “Pains” and “Gains” in newspaper and magazine venture: basics for startup

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Accepted 22 June, 2016

ABSTRACT

Like other businesses the print media enterprise is characterized with certain challenges and the popular notion of “fear of failure” that tend to discourage prospective publishers or media owners from making headway. This paper analyses the essential necessities and basic requirements to startup a newspaper or magazine venture. It argues that planning, effective coordination and management of the human and material resources are to a large extent, some of the determining factors for the success of the venture. The paper discussed these issues as elements of a feasibility analysis – the essence of which to examine how feasible and profitable a proposed business or investment is – which in turn provides the roadmap for the startup and success of the business. The paper concludes that business is all about risk-taking. Determination provides an entrepreneur the motivation he/she needs to take such business risks that eventually leads to success. There is more to the gains in newspaper and magazine venture than to the pains involved.

Keywords: Mass Media, Print Media, Newspaper, Magazine and Business Enterprise.

INTRODUCTION

The media of mass communication are broadly categorised into two groups – electronic and print. Newspapers, magazines, books, journals and other documented means of conveying messages and information to a large number of people, fall under the category of print media. The electronic media is further categorised into two, namely: the broadcast and new or social media. The broadcast media comprise of two channels – radio and television. The new or social media constitute of the Internet and other digital, computerized electronic gadgets and means of information dissemination. The new media also refer to all means (channels) of information sharing using the Information and Communication Technologies (ICTs). Auwal (2015) notes that “the Internet, satellite and other electronic means of disseminating information that work with the aid of computer and the World Wide Web (WWW), are fast gaining popularity as ‘new’ forms of the electronic media. It is the combination of all these different modes that constitutes the mass media – a phenomenon whose importance in society is virtually inestimable.” By way of definition, mass media refer to the “organs/channels of mass communication whose main function in every society is to keep the citizens informed and educated about events in their nation and elsewhere” (Auwal, 2015). Of particular interest to this paper the print media.

In the print media industry, newspapers provide the most current information. They chronicle the daily events and report them early the following morning. To be able to meet deadlines, newspapers are not as detailed as
magazines that are usually produced once a week. Apart from engaging in investigative journalism, magazines give background information to the news items reported by the newspapers, analyze them and put them in proper perspective for the readers to be able to make informed decisions. The importance of newspapers and the functions they perform in the society cannot be overemphasized. Thomas Jefferson, a one-time president of America comments on the importance of newspaper(s) in the society, thus:

The basis of government being the opinion of the people, the very first objective should be to keep that right; and were it left for me to decide whether we should have a government without a newspaper or newspaper without a government, I should not hesitate for a moment to prefer the latter.

Thomas Jefferson’s assertion is a pointer to the fact that the place and importance of mass media, particularly newspaper(s), is equal to that of government in the society. By relating the importance of mass media to that of government, it then means that the mass media posses the power to influence and shape the society as they deem fit.

**Essential issues to be considered at startup**

In establishing a newspaper or magazine business enterprise, certain issues of relative importance must be put into consideration. These include among others, the resources requirement – including the financial and human resources; the target audience and their needs; the business environment; the market; potential risks and method of overcoming them; and the laws, policies and regulations governing the establishment and operation of newspaper or magazine venture. To examine these concerns or issues effectively, a feasibility study is very crucial in making the decision to startup a business of any sort. In other words, critical issues bothering on financial, human and material resources required to establish and sustain the business are assessed through a feasibility study. “Feasibility study is a preliminary study undertaken to assess whether a planned project is likely to be practical and successful and to estimate its cost” (Encarta Dictionaries, 2009). Aruwa et al. (2013) asserts that “a feasibility analysis of new venture is the process of checking out the workability and profitability of the proposed business." The authors explain further that, essentially, it aims at providing answers to questions in the following key areas: the financial requirement – how will the finance be sourced?; production requirement – can the proposed product or service be acquired or manufactured? (if the product is to be manufactured, what technology is required and is it possible?, what assets will be required?); financial returns of the proposed business – what is the estimated profit and loss?; personnel requirement – how many people are required? and what are their job specifications?; marketing strategy – is there a market for the proposed product or service? and how large is the market?; and lastly, the legal and regulatory requirement – is the product or service legally feasible? These are essential issues and questions every prospective business owner should be able to analyse and address before making the decision as to whether to startup a business or not. It is also important to note that the decision is dependent on the reasons or purpose for establishing the business – its structure (that is, the nature and size), the environment and area of interest of the business. Corroborating this view, Thomas Prescott (2009), in his *Media Management Manual*, raises a poser when he opens the chapter two of this work with a question which reads as follows: “what are the media for?” Thomas argues that if you are a commercial broadcaster, the obvious answer is to earn money for your stakeholders. But it is not as simple as that. Even if you are commercially-funded, you may have public service obligation written into the terms of your broadcasting licence. And even if you are state-funded, you may have to supplement your income from public money by raising commercial revenue from advertising or other sources.

From Thomas’s assertion, it is evident that the purpose for which a media outfit is established, coupled with other factors such as the ownership pattern (and interest) and the environment in which the proposed business will be sited and its methods of sourcing revenue, determine what will be contained in the business plan.

**The basics**

Planning is the brain behind every successful business. There is the saying that “a good plan today is better than a perfect plan tomorrow and he who fails to plan is already planning to fail.” Many ventures fail not because they plan to fail but because they fail to plain in their management ability. Therefore, it is important to note that planning is the first step towards ensuring the success of any business enterprise. Koontz, cited in Sambe (2014b) notes that “planning is deciding in advance what to do, when to do and how to do. It bridges the gap from where we are and where we want to be.” A plan is a future course of actions. It is an exercise in problem solving and decision making.

To establish a successful newspaper or magazine business venture and be able to reach the audience with good news and views, there is the need for effective coordination of the activities involved in newspaper and magazine publishing. Newspaper and magazine publishing firms engage in so many activities before they get their news across to the audience. The effective planning and coordination of these activities contribute to
a very large extent, to the success of the newspaper or magazine enterprise. Planning is one among many steps to be taken to ensure effective and efficient management in an organisation. Sambe (2014b) notes that “before embarking on newspaper project, there is need for proper planning. Without proper planning, the newspaper business may not succeed. The plan that is required is synonymous with what is regarded as feasibility study.” The author explains further that: 

A feasibility study is one of the planning processes before a venture such as newspaper commences. It is the gathering of technical and relevant information about a newspaper venture and the determination of its technical feasibility or otherwise. It enables the entrepreneur (publisher) make a choice. It affords him the opportunity of having in-depth knowledge of the business in its entire ramification even before it commences operation.

Management is an important component in any business. It is important in the lives of individuals, groups and organisations. It is intrinsic and rather instinctive in the entrepreneur who must manage his time, resources and even energy to be able to make optimal use of them. Groups and organisations must also efficiently and effectively channel their resources to meet goals (Tersoo, cited in Ciboh, 2013).

Owuamalam (2010) vividly explains that “the essence of management is to ensure maximum utilization of operational opportunities, for the accomplishment of organizational goals. It involves the rational and realistic diagnosis of societal needs, from the consumers’ perspective.” According to him, management epitomises the creative utilisation of skills and expertise for the achievement of set goals. He explains further that publishing is an enterprise. It is made up of people, working with equipment and machinery, in order to produce products known as publications. The production of such publications is done at a cost to the publishing house. It is the ability of the publisher to determine the publishing interest of the publishing house and to ensure that result accruing from servicing such an interest outweighs any expended cost. It shows that a budget must be prepared, as a guide for the use and application of resources in publishing. Owuamalam argues that “the concept of budgeting in publishing is like providing a master-plan for the anticipated business.”

Nwabueze (2011) points out that “running a newspaper or magazine outfit though challenging, is interesting and profitable. What is required is an understanding of the basic necessities that should be on ground for a newspaper or magazine to hit the newsstand.” Going by the rate at which newspapers and magazines die or the nature of competition faced by existing ones, as Nwabueze observes, the first impression is that “moving into this industry is a frightening decision to take. Accordingly, starting a newspaper or magazine is not a difficult task to accomplish especially if the appropriate steps are understood and followed.” Esimokha (2011) points out that “establishing a successful newspaper or magazine outfit requires a lot of initial background work. For whatever reasons the publication exists (i.e. to make profit, propagate ideas, do public relations or advance a cause), there are some initial steps that must be carefully considered if the business is to flourish.” Anaeto (2009) in Esimokha puts this more succinctly when he itemizes some steps to be taken before a newspaper or magazine can be established, thus:

- Carrying out feasibility study;
- Name and registration of newspaper or magazine;
- Determining the mission and philosophy of the newspaper or magazine;
- Constituting the editorial board;
- Drafting the editorial policy of the newspaper or magazine;
- Securing funds for the newspaper or magazine;
- Establishing a befitting and strategically located office;
- Staff recruitment; and
- Procuring equipment.

Determining How Feasible is the Printing and Publishing Industry

At this juncture, it is imperative to define and clearly explain the essence and importance of a feasibility analysis in establishing a newspaper or magazine enterprise. According to Esimokha (2011), “a feasibility study is an investigation into a proposed plan or project to determine whether and how it can be successful and profitably carried out.” The author went further to explain that “a feasibility study may examine alternative methods of reaching objective or be used to define or redefine the proposed project.” Accordingly, the information gathered must be sufficient to make a decision on whether to go ahead with the project or enable an investor to decide whether to commit his finances to it. This will normally require analysis of technical, financial and market issues, including an estimate of resources required in terms of materials, time, personnel and finance, and the expected return on investment. According to Udoakah (2001), “the essence of the feasibility study is to determine the target audience; the cost implications of the project, the technical viability, the human resources needed and the sources of revenue.”

This paper will examine the following issues or basic requirements as guide for establishing a newspaper or magazine venture, thus:

- Objective, mission and editorial policy of the medium;
- Name and registration of the medium;
- Examining the policies, regulations and laws...
governing the environment and business;
- Area of coverage and frequency of the publication;
- Identifying the needs of target audience (area of interest);
- Determining the cost implications and sources of funds for basic facilities and production;
- Size, structure, staffing and type of ownership;
- Production plan, circulation and marketing environment; and
- Projected income.

In essence, the issues or requirements itemized above revolve around the essential features of a feasibility report, all of which are captured under the technical, financial, commercial and social requirements for establishing a print medium.

Objective, Mission and Editorial Policy of the Medium

Here, the reasons why the newspaper or magazine is to be established and what it intends to achieve (its goal) are stated, among other purposes. Nwabueze (2011) corroborates that “you should know why you want to publish the newspaper or magazine, what you intend to achieve. That is, the goals of the publication. Is it basically to cover the entertainments sector or to report topical happenings in every sector of the society? Is it to engage in thorough and fearless investigative reporting, among other purposes?”

At this point, the publisher (proprietor) is required to clearly state and explain the mission statement of his or her publication. According to Esimokha (2011), “a mission statement of an organisation is a short memorable statement of the reason for the existence of an organization.” Esimokha adds that the mission statement also known as the corporate statement must answer the following questions: What is our purpose? What are our beliefs, values and priorities? Who are our target audience? What is unique about our establishment? “A newspaper or magazine mission and philosophy therefore provide an easy guide to judging it.”

The mission statement of the publication gives rise to its editorial policy. The editorial policy in turn, directs the activities of the editorial staff of the organisation. Noskie (undated, p.18) explains this further when he notes that “editorial policy is the dos and don'ts that guide the activities of every editorial staff of a newspaper or magazine in carrying out their editorial functions.” He however, argues further that “unlike mission statement, editorial policy is neither written down nor static. It can change from time to time depending on the ownership, government policies, economic interest, and so on.” Nwabueze (2011) asserts that “the editorial policy is a guide on what would be published as news, articles, including non editorial contents such as adverts. The editorial policy determines what would be published, how to present stories, nature of advertising that would be accepted, among others. It gives character to the publication.” The editorial policy determines the kind of news stories and features articles that reporters write for the newspaper.

Name and registration of the medium

Before any business commences operation, it must have a name (identification) with which it will be registered with the relevant bodies or agencies responsible for the registration of businesses and institutions. In Nigeria for example, all business enterprises ought to be registered with the Corporate Affairs Commission (CAC). Depending on the nature and type of business, registering with other professional bodies and associations is also a basic requirement. For instance, all existing broadcasting organisations in Nigeria ought to be registered and issued licence for operation by the National Broadcasting Commission (NBC). Some also register with professional bodies such as the Broadcasting Organisation of Nigeria (BON). For the print media, the Nigerian Press Council (NPC) does the registration and grant of licence. These two bodies (NBC and NPC) regulate the activities of the media in Nigeria. Additional, all media practitioners especially journalists, are required to register with the Nigeria Union of Journalists (NUJ) for professional recognition. Sambe (2014b,) notes that “every publication has a name which tries to capture the vision, mission and philosophy of its publishers as well as circumstances that led to its birth.” Similarly, Sambe (2014a) observes that “the details of the nature of the newspaper should be given here. For example, what will the paper be called and why? What will be the frequency of publication, and the initial print run?” Nwabueze (2011) clearly points out that “in deciding what the title would be, the purpose of publication, target audience, frequency of publication, types of publication, area of coverage (local or international), among others are put into consideration.” The author adds that:

**Decisions on the magazine title should also include the cover concept. That is, what should constitute the cover image of the magazine or front page outlook of a newspaper. What typeface, size and family should be used in writing the newspaper or magazine title on the cover or front page? How would cover stories be planned or positioned? What would be the colour of the title? What would be the logo? These questions are answered by the cover concept.**

Esimokha (2011) argues that, regardless of the reasons for its existence, a major requirement before a newspaper or magazine can go into operation is registration. In Nigeria, all newspaper outfits are required to register with the Corporate Affairs Commission and the
Newspaper Registration Board. Newspapers and magazines can be registered in the following forms: as a one-man business, partnership, joint venture, or limited liability company.

Examining the policies, regulations and laws governing the environment and business

To protect the interest and security of that state and its citizens, human activities, including business are being regulated in almost every part of the world. In different countries around the world, governments formulate policies and regulatory frameworks to guide the conduct and mode of ownership of mass media industry. According to Okoye (2008), all over the world, governments regulate various fields of human endeavour. This means that industries are provided with basic structures for their operations. The mass media industry is equally regulated. However, because of the peculiar nature of the mass media as vehicles for free expression, which is a fundamental human right, government is careful to regulate the media only to the extent consistent with the expectations of a democratic society. Thus, over-regulation of the media will stifle free expression and give rise to underground press and even rebellion. Closely related to Okoye’s assertion is that of Utor (2009) which reads that there is hardly any power, institution or society that can be successful or achieve its aspiration without rules, laws, norms and values to help direct its affairs in a reasonable and meaningful manner. This is because, if everyone is allowed to do what he or she wants without adherence to the laws or norms, there would be anarchy. Journalism as a profession cannot exist without its adherence to the laws or norms, there would be anarchy. Over-regulation of the media will stifle free expression and give rise to underground press and even rebellion. journalists are professionals who must abide and maintain the integrity of such an important career if its aspirations are to be achieved.

Sarikakis (2010) cited in Michael and Kayode (2014) explains that national communication policy involves the study of decisions regulating (or not regulating) media content such as the broadcast of pornographic material or violence on day time television; decisions that organize the media into public and private organizations depending on the forms of ownership and those that guarantee or restrict the freedom associated with expression, whether artistic or journalistic. Accordingly, Michael and Kayode further clarify that media policy refers to the set of norms and institutions that administer or manage the rights and obligations of media professionals and organizations aimed at maintaining journalistic ethics, advertising standards and generally by self-regulating the relationships of the media with their publics.

These polices, regulations and laws must be examined and fully articulated by the prospective publisher to ensure the smooth running of his or her newspaper or magazine enterprise.

Area of coverage and frequency of the publication

The area of coverage is closely related to the objective of establishing a newspaper or magazine venture. Here, the publisher states whether his or her publication will be a local, national or international one. To a large extent, the objective and mission of the newspaper and its nature of funding determine the area of coverage. Nwabueze (2011) explains that “you determine your area of coverage at the start. Will you start the publication as a local one, covering basically a city, state or region? Do you want to start covering the entire nation? Such factors as fund, purpose of publication and target audience could influence the area of coverage.”

Identifying the needs of target audience (Area of Interest)

Newspapers and magazines exist to serve different purposes, interests and needs in the community in which they operate. In establishing a print medium, according to Ciboh (2013), “decide what kind of newspaper or magazine you want to start and what audience you hope to reach.” According to Nosike (undated, p.13), “before embarking on the production of newspaper, the publisher and management team have an audience in mind. This target audience must also have certain characteristics and needs. To meet the needs of this target audience, the management team should package the newspaper in a particular way.” Nosike explains further that a newspaper that wants to meet the need of a wider audience should be able to circulate widely while those that need the attention of a specific audience interest in a subject should package the newspaper to meet such need. Some newspapers have specialised area and appeal to a target audience. It could be sports, religion, politics, telecommunication, and so on. Magazines and newspapers are published with a target audience in mind. Sometimes, the title of the publication such as Women’s World, Children Arena, etc says much about the target audience. In some cases, the title remains silent on the audience especially when the publication is expected to appeal to a wider audience.

Most publications, especially magazines are classified based on their areas of interest. Nosike (undated, p.17) notes that “every newspaper or magazine wants to fill a gap. This is the motivating factor that propels the publications into the industry. And, this mission which the publication wants to embark on will be its first point in content with the people who will first want to know whether such a mission is worthwhile.” Esimokha (2011) corroborates that “the audience refers to the specific
group of individuals to whom the publication is directed. Most newspapers and magazines are published for specialised audience. Specifying the target audience and their need is an indispensable guide for magazine and newspaper analysis.”

Determining the cost implications and sources of funds for basic facilities and production

The cost implication and sources of funds needed to run a newspaper has to do with the material and non-material resources, especially the financial aspect and how the required amount and other needed materials can be sourced or acquired. These are very important requirements or issues to be considered in establishing a newspaper or magazine. Nwabueze (2011) rightly asserts that “funding is a very crucial necessity for a newspaper or magazine. Nwabueze (2011) rightly asserts that “funding is a very crucial necessity for establishing a print medium. No matter how small or big you want to start off, you need money. But this should not discourage anyone because with as little as a few thousand naira, you can publish a newspaper or magazine that is starting off in a small scale.” Nwabueze notes further that most national magazines and newspapers in Nigeria including city or regional newspapers began in a small scale. A few individuals raised money for printing materials, did the news gathering and running around by themselves, did the circulation directly or with agents and registered some level of success before expanding production.

Esimokha (2011) postulates that “an important factor to consider in establishing a newspaper or magazine outfit is capital. Capital is the money that can be invested in order to make profit. Money is needed not only for the take off but also for the smooth running of the venture.” Some sources of finance for setting a newspaper or magazine outfit, according to the author include: personal savings, loan, contribution from partners, and subvention from government (for government owned newspapers or magazines). Esimokha explains this requirement as the “estimated capital expenditure and estimated working capital.” He puts further that “the estimated capital expenditure refers to an outlay of money, especially on fixed assets, such as plant and machineries, furniture and office equipment. The proprietor must determine how much will be needed to procure the equipment.” Apart from clearly stating how much will be needed for the capital expenditure; the proprietor has to give a breakdown of all the anticipated expenditure over a period of time before the expected returns on his investment. For example, rent, utilities, consumables such as printing materials, photographs, and so on. The proprietor also needs to state the source of cash required for these expenditure.

According to Sambe (2014), “estimate capital expenditure include the cost implication of the land and building for the newspaper or the rent for at least the initial few years of operation. The cost on essential capital materials such as equipment, furniture, vehicles, and salaries will also be discussed in the feasibility analysis.” From another point of view, Nwabueze (2011) vividly explains that “equipment refers to basic facilities needed to run the operations of a newspaper or magazine, big or small.” According to him, “to start a publication, you require a computer that has the various softwares necessary for publishing. Such softwares include Adobe Pagemaker, Adobe Photoshop and Corel Draw.” Nwabueze argues that you do not need a printing machine, laser reader, laser writer and such other film processing equipment immediately except you want to establish a large organisation. All you have to do is do the editorial work, including layout and design, and do the filming, plating, and printing outside. For a large organisation, more is required and this includes vehicles, generating sets, satellite or cable subscription, television and radio sets, among others.

Size, structure, staffing and type of ownership

Here, the publisher determines the size of his or her organisation and structure in terms of departmentalization. How many units, section or departments are needed to ensure the smooth take-off and running of the organisation? The publisher will also determine the staff strength or manpower requirement of the medium. According to Sambe (2014a), “information is given here on the type of personnel required. That is, the number of staff needed for the take-off of the newspaper or magazine.” Ciboh (2013) writes that “depending on the frequency of the newspaper you are starting, you will need to staff a number of different positions, from the publisher’s chair on down. The smaller the paper, the smaller the number of employees you will need.” Information on the type of ownership to be adopted must also be provided. Is it an individual ownership, a joint-venture or employee ownership? This must also be determined.

Production plan, circulation and marketing strategies

The decision on how to distribute and market the newspaper or magazine is very essential to the survival and success of the enterprise. Esimokha (2011) asserts that “marketing plan is an aspect of the feasibility study that is concerned with the determination of marketing strategies. That is, advertising and promotion strategies, effective distribution and circulation network, to enable the publication get the desired market share.” Esimokha adds that, after determining those who will manage the affairs of the publication, the next is to describe how the

Published by Basic Research Journal of Business Management and Accounts
newspaper or magazine will be produced. What issues will the publication treat from edition to edition? What are the sources of information? How will materials be generated? (news, features and adverts) are your sources capable of providing you information on continuous basis? You need to state the production cost and manpower requirement. According to Esimokha, the marketing plan for the publication also needs to be stated. In looking at the market, the proprietor must determine the target audience and the competition. The market or audience research is basically finding out your target audience. In looking at the competitors, the proprietor must also provide answer to the following questions: Are there any newspapers or magazines currently doing what mine intends to do? What are the strengths and weaknesses of my competitors? What gap can I fill when I come to this market? For you publication to survive, you must find a gap to fill. In other words, it must provide something that is needed which the others are not offering, and at an affordable price.

According to Sambe (2014a), the production plan gives information on the arrangement for the supply of spare parts and newsprint, and the plans for technical management, and so on.” He adds that “under the market analysis, the nature and size of the market (audience), and the nature of competition are provided. Market plan provides information about the cover price, circulation and advertising rates.”

Projected Income

The publisher should be able to project the income he or she anticipates from the sale of space for advertisements or from the sale of copies of the newspaper or magazine, so as to determine what amount will be expended on production and what amount will go for staff salaries, among other needs.

Conclusion and Ways Forward

The essence of feasibility study is to examine how workable and profitable a proposed business or investment is. This is to enable the investor or the prospective business owner to determine the cost implication for the production or manufacturing of the products and to also determine the cost of procuring all necessary equipment for the take off of the business. While a feasibility analysis enables the individual or group to determine the material and non-material resources and requirements to start-up an enterprise and to decide whether to invest on that business or not, planning provides the roadmap for effective coordination and utilization of the goals and purpose of establishing an enterprise. Business is all about risk-taking. Determination provides an entrepreneur the motivation he/she needs to take such business risks that eventually leads to success. Once a prospective publisher is determined, there is more to the gains in newspaper and magazine venture than to the pains involved.

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