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From: SEAN AYLNER

Date: 5 August 2013 16:02

Subject: Business Media structure

To: AU-FRG-Method Editorial-Group

Cc:

Hi,

Thank you to everyone for your patience and ongoing hard work in recent months. Working out the new operating model for Business Media has been a slow process. But we hope to provide some more certainty in coming weeks.

During the next two weeks - August 5 until August 16 - the senior management of Business Media will develop a model which will ensure strong content for all the mastheads, both digital and print.

The following two weeks - from 19 August until August 30 - we will invite input from as many staff as possible about the model. That period is about road testing what senior management comes up with and getting as much feedback from people who produce stories and photos and graphics and content every day. It is critical we get as much input as possible during that fortnight.

During the following two weeks - 2 September until 13 September - senior management will refine the model and we aim to present it by the middle of September.

We need to develop a few core principles to guide us. Three of those principles are:

1. We will respect the editorial values of each masthead and each platform, and maintain their places in the market. Each masthead needs to maintain its distinctive style and coverage. Stories will often be treated differently to suit audiences, and commentary and analysis will be unique to mastheads.
2. In companies and markets coverage, the AFR, Smart Investor, BRW, the big metro mastheads and inserted magazines co-operate rather than compete with each other. It is a fundamental change in how we think and won't be easy. But it is necessary because C&M now has several mastheads to provide content to.
3. We should always make decisions based on maximising the impact on our audiences. We are an audience-first organisation (rather than a digital-first) organisation. That might mean

holding a story for the front page of the Age or SMH, or for the AFR, or it might mean going online immediately with exclusives. In the end, what we do must satisfy what the reader wants.

The AFR and Business Day has come a long way transitioning to digital ways of working. As demand for online content grows, it is inevitable that more people will consume us via mobile phones, the web and tablet, as well as through social media. We need to become even more digital facing. That means everyone who produces content needs to be thinking digital. If you don't think digital, you won't prosper under the new model. If your content doesn't appear online, or only appears because it is in the paper first, then you need to rethink what you do every day.

At least initially I favour a low touch merger, which basically means we don't alter jobs too radically until we see how things are operating. Of course the next six weeks might result in a total rethink. If jobs are not significantly altered (eg: if we still need a Business Day editor) and there is an incumbent in a position, I do not intend to advertise that position. If there are new positions coming out of the review then we will open those up internally.

By the end of the six weeks, we should have an organisational chart and clarity over how we are going to operate.

As part of the process, I am altering the senior management structure slightly. Michael Stutchbury remains AFR Editor-in-Chief and is responsible for content, digital and print, for all AFR platforms. Michael will report to me.

Paul Bailey remains AFR Editor but will increasingly focus on upgrading the Fin Review's digital focus from early in the day. He will report to Michael.

James Chessell will become Editor - Business and report directly to me. He will be responsible for companies and markets content, whether it appears under The Age, The AFR or The SMH masthead, in digital or print. So most company reporters will work to James.

Amanda Gome remains responsible for Smart Investor, Asset and BRW, both digital and print, and will report to me.

Simon Anderson will take the role of Executive Editor. Initially he will oversee the process of merging Business Day and the AFR group including developing the Business Media model, and subsequently rolling it out across all platforms. He will oversee the significant technological challenges involved in the merger and will report to me.

The structure needs to be flexible. For example the AFR EiC and Editor will have substantial input into our overall coverage of companies and markets

While everyone is responsible for the successful integration of Business Day and the AFR, Michael, James, Simon and Mark Hawthorne will be responsible for executing the strategy. Mark will continue as editor of Business Day throughout the process.

This will be a very busy period, not least because the federal election and the profit season puts big demands on journalists and we are in the process of shifting to real time working. But it is critical that we work out a model that can provide some certainty and clarity to people as soon as possible. We cannot put it off anymore.

Thanks, and I always welcome feedback.

Sean

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