

## Journey to World Class

September 14 2011



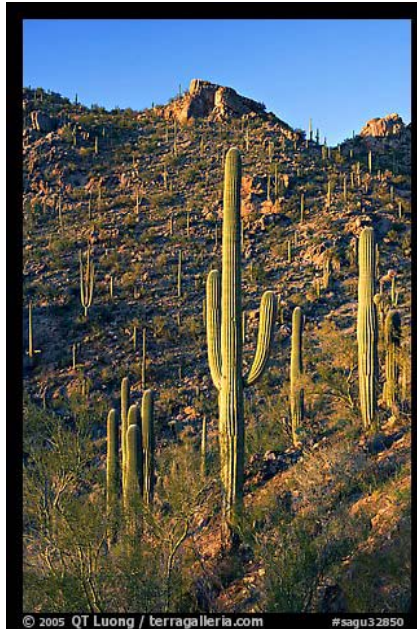
### Tiger Woods

- 71 Wins (3<sup>rd</sup> all time)
- 10 time PGA Player of the Year
- 14 wins in Majors
- 5 straight player of the year awards from 1999-2003
- **Revamped swing in 2004**
- 4 of 5 years following earned player of the year and leading money winner



## Republic Media

- # 1 Newspaper in market
- # 1 Website in the market
- Largest media sales team in the market
- Consistently one of top 5 performers in country from a locally controllable revenue growth standpoint



## Change Isn't always easy.....

- Reasons for Change
  - Market Opportunity
    - Revenue and opportunity has changed, we hadn't
      - Segment level
      - Business type
  - Changes in media consumption
    - Enhancement and change in Republic Media's Platforms
      - Digital growth over next five years to be more than 5x of any other media
  - Current long time customers needs had changed, we hadn't
    - More, better research
    - Creative Needs
    - Need to understand how to reach customers digitally
  - Competition has caught up and in some cases passed us on overall customer service and solution selling
  - Legacy Staff with Legacy Culture!



80% of 2009 new accounts spent less than \$5K, and were more than offset by churned accounts

	2009 New Business				2009 Churn				2009 New Minus Churn	
	# of Adv	Rev	% of Adv	% of Rev	# of Adv	Revenue	% of Adv	% of Rev	# of Adv	Revenue
\$0 - \$2.5K	789	\$710,592	65.6%	13.7%	1,342	\$1,176,015	66.3%	13.2%	(553)	(\$465,423)
\$2.5K - \$5K	173	\$607,145	14.4%	11.7%	298	\$1,056,910	14.7%	11.9%	(125)	(\$449,766)
\$5K - \$25K	209	\$2,230,623	17.4%	43.0%	322	\$3,385,667	15.9%	38.0%	(113)	(\$1,155,044)
\$25K - \$50K	24	\$897,616	2.0%	17.3%	43	\$1,478,325	2.1%	16.6%	(19)	(\$580,709)
\$50K - \$75K	3	\$185,028	0.2%	3.6%	9	\$531,282	0.4%	6.0%	(6)	(\$346,253)
\$75K - \$150K	4	\$400,882	0.3%	7.7%	8	\$853,223	0.4%	9.6%	(4)	(\$452,341)
\$150K - \$500K	1	\$155,655	0.1%	3.0%	2	\$433,955	0.1%	4.9%	(1)	(\$278,300)
<b>Terr. Total</b>	<b>1,203</b>	<b>\$5,187,541</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,024</b>	<b>\$8,915,378</b>	<b>100.0%</b>	<b>100.0%</b>	<b>(821)</b>	<b>(\$3,727,837)</b>

2009 New Business: 2009 revenue and # of advertisers for those that did not do business in 2008  
 2009 Churn: 2008 revenue and # of advertisers for those that did business in 2008 but not 2009

Source: 2008/09 Republic Media Sales data

Confidential: Gannett / Republic Media  
 The Winthrop Group Inc.



## Poorly Positioned to Win in Digital

- Not capitalizing on digital opportunities
  - Digital teams and multi media teams weren't working together on opportunities
    - Zero integration in sales plans presented to customers
    - Consistent conflict between multi media and digital teams
    - With large accounts spread throughout organization leveraging resources to capitalize on opportunities difficult



## World Class Objectives

### World Class

- Gain focus and increase revenues from large accounts
  - Increase share of wallet from current customers
  - Identify and develop business from large prospects
  - Increase online revenues and share
  - Align resources to capitalize on opportunities

### Current State

- Large important accounts are scattered throughout the sales organization
  - Loss of Focus and accountability
  - Inefficient use of resources to support accounts
  - May not have required skill set in a particular sales group to grow and build accounts



## Key Structure Objectives

### World Class

- Provide clear definitions and "rules of engagement" for each sales group
  - Ensure focus and accountability
  - Facilitate prospecting and lead handling
  - Eliminate channel conflict/"confusion"

### Current State

- Boundaries among sales groups are blurred
  - No definition of which accounts belong to territories vs. strategic vs. Gannett Local
  - Impacts prospecting activities, as well as lead handling, who gets what?



## Key Structure Objectives-People

### World Class

- The right people in the Right Jobs
  - Hire World Class!
  - Competencies aligned with position
  - Talent Development Key
  - Managers drive World Class

### Current State

- Staff skills, development, potential low
  - Wrong people in positions
  - Talent Development not a focus
  - Field time not valued
  - Legacy Culture



## World Class Changes

### Account Identification

- Align accounts and teams based on opportunities
  - Current/Prospects, Rev. Opportunity identified
- Established spend levels for each team
  - Large Local (Keys)
  - Territories
  - Telesales
- All accounts placed in one of three above teams

### Staff

- Determined number of desks needed to maximize potential Republic Media potential (bandwidth/segment focus main factors)
- Competencies established for each position based on more clear roles
- Sales Support aligned with teams based on opportunity and need



## World Class Changes

### Digital

- Integration plan established aligning digital specialists based on opportunities
  - In Large Local, Vertical specialists established
  - Align support with desks to maximize selling time

### Compensation

- Revamped comp plan aligned with World Class changes
  - Comp tied to current revenue and opportunity
  - Digital focus layered into to plan
  - Culture of Spiffs eliminated

### Training

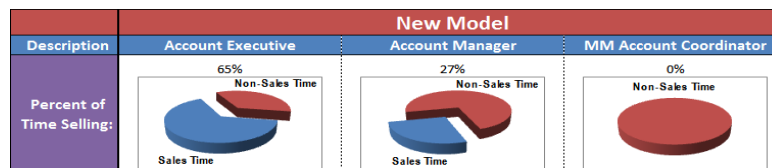
- Training team enhanced
  - Sales Process a major focus
  - Full time Digital trainer added



## World Class Structure

Providing clear definitions and aligning resources to maximize sales time

- Focus
  - Gain focus and expertise of accounts and organized prospecting
  - CSG will be heavily involved in the right accounts
  - Strategy and products designed for specific account types.
  - Increase revenue share from larger customers
  - Increase account share from territories



- Accountability
  - Defined roles and accounts resulting in more focused sales effort
  - Defined sales metrics to measure strong and weak performers

### Career Paths

- Territory AE's can move to Senior AE
- Senior AE's can move into Large Local AE
- AM's can move into Territory AE's



## Outcome of Changes

- **Specialists**
  - With more focus on “right” accounts, specialists will be able to better align based on potential and specific segments.
    - Product offerings based on account size focus can be better utilized (i.e.. we focus on exact products most likely to be utilized by customer types or segments)
- **Vertical Focus**
  - Opportunities are HUGE in many verticals that had no clear sales channel in the past
    - Finance
    - Health
    - Education
  - Strategies developed at the segment level
- **Expectations/Accountability**
  - New level of expectation for managers
    - Field Time, 1/1's, Sales Meetings, Talent Development
  - Sales Executive expectations clearly articulated
    - Field Time, Digital Performance, BNA's



## Outcome of Changes

- **Customer Focus**
  - With focus shifting to “going deeper” within existing account base, account reviews have become a daily/weekly habit
    - CSG opportunities aligned with customers with highest RM Potential
    - Increased CSG Partnerships with all customers
      - CSG Staff Added
    - Training centered around surrounding accounts
      - Miller Heiman Strategic Selling
- **Sales Support**
  - Account Manager will provide an increase in client sales related activity
    - “gift of time” to Sales Executives
      - Prospecting
    - “Go Deep” with right customers
    - Coordination with specialists



## World Class Timeline

- In Market Interviews  
– Internal/External Feb thru April
- Strategic Planning April/May
- Account Identification May
- Staff Alignment May/June
- Execution Planning June/July
- Role out to staff July 19<sup>th</sup>
- Account transfers/Position Transfers August 1<sup>st</sup>
- Compensation Plan Role Out September



## Controlling the Controllables

### Jan thru June 2010

- Territories
  - Total Revenue (9.1%)
  - Digital +15.5%
- Large Local (keys)
  - Total Revenue +2%
  - Digital +3%

### July thru December 2010

- Territories
  - Total Revenue +.4%
  - Digital Revenue +24.2%
- Large Local (keys)
  - Total Revenue +8%
  - Digital Revenue +20%
- Number 1 in Gannett for locally controlled revenue performance

## 2011 Update

- Territories
  - Total Revenue +3.2%
  - Total Digital +14%
- Large Local
  - Total Revenue +5.1%
  - Total Digital +21%
- # 1 in Gannett for Locally Controllable Revenue Performance



Thank You