

## consulting

# From builders of plants to builders of processes

Bricks and mortar projects are giving way to helping newspapers operate more efficiently, architects say.

*By Chuck Moozakis Editor-In-Chief*

The newspaper industry's professional services providers are transforming their businesses from builders of plants to builders of processes.

There is still work out there for the industry's cadre of facility design, engineering and architectural firms. But for now — outside of Transcontinental Inc.'s planned facility in Fremont, Calif. — plant construction projects under way today are much more modest than the massive, multipress, nine-figure facilities that were built earlier this century.

The days of the \$100 million-plus newspapers plants are gone for now, said Chuck Blevins, chief executive officer of the consulting firm that bears his name.

"Almost all newspapers now are offset and if and when they build a new facility, it's the second generation" offset and doesn't require the same investment in buildings and facilities as did the switch from letterpress, he said.

"If newspapers are adding space, it's usually for other reasons, such as upgrading a mailroom. Very seldom is it because they have to replace a press."

Another challenge: the soaring cost of building materials, which has led to construction costs in excess of \$200 per square foot, almost double the price two years ago. "You won't see a lot of



The Kansas City (Mo.) Star's \$199 million production plant reflected the commitment then-parent Knight Ridder had to the paper and to downtown Kansas City.

building, so newspapers are looking for other options."

## Shifting Gears

In response, design and architectural firms such as Dario Designs Inc., Austin Aecom, The Austin Co. and others are shifting their attention to helping newspapers find better ways to manage their operations. Or, they're casting their nets internationally, to tap into the more vibrant newspaper market overseas.

That's a tact DDI is aggressively pursuing, said DDI President Dario DiMare. "We are learning a lot in the international market and hope to share the successes we see abroad with the U.S. market."

DDI currently has 11 international projects, including architectural design and consulting work at O Globo in Rio de Janeiro, Brazil; Gazeta do Povo in Curitiba, Brazil; Prensa Libre in Guatemala City, Guatemala, and The Tribune

in the Bahamas. It's also involved with a massive, non-newspaper-oriented project in Vung Tau, Vietnam.

Domestically, DDI has several other projects, including overseeing the construction of new plants for the Naples (Fla.) Daily News and the Daily Hampshire Gazette in Northampton, Mass. It also worked with The New York Times in the expansion of its College Point, N.Y. plant and finished up plant and press projects in Janesville, Wis., and Fort Wayne, Ind.

The difference between working with international papers and U.S. ones is striking, he said. "What we're seeing in foreign countries is a consistency of growth and of readership. A lot of this is occurring because of the rise of literacy, and what newspapers are doing is starting new publications aimed at different audiences. They are experiencing the same reduction in circulation in their core products as

Photo: Aaron Leimkuehler

in the U.S., but unlike the U.S., they are quick to change; partly because they can (due to not being publicly held) and partly because they are learning from our mistakes," he said.

"If you combine the drop in circulation of their main product with the rise in circulation of their alternate products, the total circulation of many of these companies is up more than 10 percent in the last year alone."

In the more mature U.S. market, many of the discussions now center about the role the publisher envisions for the newspaper.

"We look very carefully at core competencies," DiMare said, making sure the publisher understands the difference between being a printer or being a "gather and disseminator of information."

"We can cut costs and eliminate production if printing isn't considered a core competency." He said. "Five years ago, people would have said we had three heads if we had recommended that."

Bottom line: "We're doing much more strategic planning" with clients, DiMare said. "They call us, and we ask the questions that need to be raised."

Ken Harding, chief executive officer of Harding Consulting Alliance, said that in 2008, cutting costs is a primary motivation for most of HCA's newspaper clients.

"People are very concerned about finding ways to cut cost," he said. "Everyone still believes in the business and they want to find ways to grow it, but the core product today is difficult to grow, so in order to increase revenues publishers have to investigate niche publications and magazines and other products. But to fund these alternatives, they still are looking for ways to cut core costs."

To that end, Harding said he's had discussions with publishers about cost-cutting ideas "that I would have been thrown out the door for suggesting a year ago."

Case in point: an evaluation at one metro newspaper about moving up final news deadlines to 9:30 p.m., thus creating a smaller print window and, consequently, lower personnel and production costs.

"If you look at most newsrooms today they are still focused on the print deadline, but the fact of the matter is that newspapers see their online page views spike in the early morning, so a lot of our work is focused on optimizing the entire operation."

### **Finding balance**

Forum Architects LLC, meantime, is balancing both consulting and designing. The Cleveland firm is overseeing new-building projects for the Chronicle-Telegram in Elyria, Ohio; the (Cheyenne) Wyoming Tribune-Eagle and the Free Lance-Star in Fredericksburg, Va., among others.

"Where we used to focus on buildings, now we are going through the process of working with newspapers to best reach their goals," said Steve Barber, principal, newspaper services. "It's not so much just building newspaper facilities but now it's a process of building the justification" necessary to go forward with a project.

"There was a time where people would decide on a new facility and go." Said Charles A. Rosati, Forum's principal. "Now they look very, very closely to make sure everything is cost-justified. We also make sure we don't just take the accepted criteria any more." In Fredericksburg, Forum worked with engineers from Goss International Corp. to modify the dynamic forces affecting the operation of the press The Free Lance-Star is installing at its new plant. The result: The paper was able to scuttle original plans for a deep press foundation to support the FPS press and in the process save some \$250,000 earmarked for construction of the foundation.

"We were able to take a more concentrated discussion about making decisions that saved the owners a

great deal of money," Rosati said. "Everything is so critical these days, so decisions about how big the office might be or steps you might take to reduce a footprint all have the same priority as how well the production flow works and decisions on press equipment."

### **Too timid?**

For all the accommodations facility design firms are willing to make as they work with newspaper publishers today, a few admit they are frustrated that newspapers remain too timid.

"Papers are afraid to take chances," said one designer, who spoke on the condition he wouldn't be identified. "They're hanging on to their 8-track players and wondering what's going on. They are so crippled by shareholders and Wall Street, and God forbid you spend money when it's everyone's mandate to cut costs."

"There are solutions. You can embrace the Web. Microzone. Local content. But all of these take investments, and some publishers just don't want to take the risk."

"This is what I want to tell them: 'Go big. Or go home.' ■