The digital skills crisis, told in their own words
Understanding the challenges facing brands
Digital Insight Report
March 2008

The skills crisis in digital publishing is holding back the industry. It forms a barrier to competitiveness and because the capability weakness is common at all levels in organizations, it presents a strategic risk for everything the firm develops in digital channels. This report summarizes common challenges and issues publishing executives describe in the conversion from print or broadcast to web media. From leadership boards to operational sales teams, digital publishing and marketing coaching is critical in unlocking the potential.

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DIGITAL TRAINING ACADEMY

The knowledge transfer business

www.DigitalStrategyConsulting.com/Insight

At a glance

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Analyst's profile:
Danny Meadows-Klue

Danny has been teaching digital marketing and publishing for over a decade and has been a researcher and commentator in the digital networked industries since 1995. He managed the UK's first online newspaper and has helped run web businesses ranging from mass market portals and consumer magazines, to online stores, search and email services. He is the co-founder of the UK and European IAB trade associations and was their president for four years.

"Getting digital media right is a challenge for teams moving from print and broadcast because while many of the ingredients for internet success may build on the skills of content development and sales in the classic channels, there remain fundamental differences and additions, without which success can never be achieved. The relentless pace of change will continue well beyond the next five years as convergence with video transforms the web into television and mobile makes it the anytime, anyplace, anywhere media channel. Audience expectations head to new heights."

Speed read

- The speed of change has created an exceptional gap in the skills most teams have in digital marketing and publishing, and those they need

- Publishing skills are widely sought after because every firm that creates a website becomes a publisher

- Every discipline in digital publishing builds on the skills needed for success in the classic channels, but demands additional knowledge and skills that can be difficult to acquire and develop

- The immediate nature of the need, and the globalisation of the media channel present additional pressures

- Solving the skills crisis by recruiting in talent often isn't an option

- Structured training programmes can bridge the skills gap, but also build staff retention and stronger team alignment

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1. Transition and change

The digital skills crisis in publishing: context

Transiting into the digital economy has proved tough for media groups. Many either invested so late they missed the boat or so early the ventures were misguided; both routes left shareholders burned and audiences unengaged. While Google, Amazon, Ebay and Facebook slug it out to top the charts of power brands for the digital networked generation, magazine and newspaper sites often barely get a look in, even in the vertical sectors of their home turf: sectors such as travel, parenting and food are dominated by internet pureplays who cracked the model of consumer needs and had the agility and entrepreneurship to develop the right services from the start.

For traditional media owners the challenges are manifold: rapidly evolving technologies, new structures for once stable industries, publishing models that are uncomfortably diverse, revenue pressures in the classic channels, and strategies that are yet to be proven.

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But if the teams operating those digital channels aren't up to the mark, then what is the risk of failure? And if the leadership team don't have the knowledge and vision to lead with the wisdom they have in classic channels, then isn't the whole business at risk?

In the race for talent, wage prices have leapt, the recruitment of digital leaders feels like it did ten years ago, and as the sector consolidates further, it's clear the risks have never been higher.

Digital Thought Leaders
www.DigitalStrategyConsulting.com/**thoughtleaders**

Why do some firms get it so right, and their audiences and revenues explode? Our Digital Thought Leader interviews bring you closer to people and brands shaping the digital networked economy. They are based on discussions we've had with them since 2000 and are published monthly.

2. The challenges in four disciplines

Challenges in the publishing sector

At the Digital Training Academy, we've been working with teams in 20 countries to bridge the digital skills gap quickly and this article outlines some of the lessons we've heard back from magazine, newspaper and broadcast media teams wrestling with how to get digital channels right, quickly. For each of the four digital publishing disciplines, we've outlined some of the common challenges publishers have described, and a few points of best practice in internet training, online recruitment and digital strategy development.

a. Building stronger advertising sales teams

When it comes to the digital skills crisis, in advertising sales the challenge is most stark because sales either arrive or they don't. When we interviewed print media sales teams expanding into the sale of digital advertising channels, these were the messages we consistently heard.

How managers describe the challenge
"In print advertising I only had to focus on prices, relationships and spaces. In online I have to do the same, but also know digital formats, web analytics, marketing theory and web publishing. This is much, much harder."

The digital difference in skills they need?
It's easy to understand the lack of comfort with the new environments. The extra areas these teams need to understand cover wider areas of marketing and the models that drive advertising. Some of the common aspects that cause the most difficulty include:

- Online ad formats

- Online audience and transaction currencies

- Online research methodologies

- Web analytics

- Wider marketing theory

- Web publishing strategy

An example: how dayparting boosts inventory
One of the earliest targeting techniques on the web was dayparting: the model of broadcast media that slices advertising audiences into segments of a day and sells airtime packages by segment. Because different brands have moments of customer connection at different times, media sales teams can boost the value of their inventory by marrying up the right advertiser to

the right sector. The lower media wastage justifies a premium, and the freed-up space can be re-sold more effectively to different clients.

These are typical of the issues we explore in the coaching programmes for digital media sales teams, and yet even though the technology is over a decade old, many media owners still have made little progress.

b. Building stronger online editorial teams

When it comes to the digital capability shortfall in editorial, the challenges are often cultural and attitudinal as well as about knowledge and skills. Some editors, writers and sub-editors lack a passion for the channel, while other can hostile about an increase in output that isn't matched by an increase in salary.

How senior team members describe the challenge
"In magazine writing I only had to focus on the story, the images and the deadline. In online I have to do the same, but also know about web page layouts, writing for search engines, building something that creates debate in the blogs, and then I have to tag up all my content so it can be properly referenced. It's not just that there's more to do, it's also that I have to work differently and think differently."

The digital difference in skills they need?
It's easy to understand the lack of comfort with the new environments. The extra areas these teams need to understand cover wider aspects of web publishing, including layout and design, data structures and the processes of manipulating and syndicating content. Some of the common aspects that cause the most difficulty include:

- Web page layout approaches

- Writing stories and headlines to work effectively with search engines

- Social media: understanding how to use a story to create discussion and debate

- Tagging and data classifications

- Web analytics and audience statistics

An example: how to measure editorial success
One of the strategic advantages of digital is its measurability and accountability. In the right hands this can be the most valuable of tools for providing insight into the effectiveness of the content. In 2003, when asked what publishers should count, we developed a family of business metrics that proved valuable over time for tracking audience growth and engagement. Those key performance indicators (KPIs) can be used to calibrate editorial success and connect content development activity to revenue planning.

Digital Strategy's 5 Ps of traffic...

- People (eg unique users)

- Pages (eg impressions)

- Persistence (eg stickiness / duration of visit)

- Pulling power (eg repeat visits)

- Passion (eg intensity of their activity)

These are typical of the issues we explore in the coaching programmes for digital content and product teams, and yet even though the metrics can be collected instantly from most publishing technology platforms, many media owners are still blind to the granular performance of their businesses on the web, and through that the editorial managers unclear about what is driving audience traffic rather than just content volume.

c. Building stronger digital publishing marketing teams

Of all the areas under-resourced by traditional media groups developing digital products, marketing is normally top of the agenda. The relationship between marketing, technology and content is tighter and more fundamental in web publishing than classic media, yet the marketing resources allocated rarely reflect this. Savvy digital marketing can turn on traffic like a tap, creating a sustainable feed of strong, rich audiences that will create a step-change in the business' performance. But many publishers get the techniques or processes just slightly wrong, and still switch on new audiences like a tap, but either instantly lose them or pay way over the odds, acquiring unprofitable customers and losing further profits on each and every customer they acquire.

> Savvy digital marketing can turn on traffic like a tap, creating a sustainable feed of strong, rich audiences that will create a step-change in the businesses performance.

How senior team members describe the challenge
"In magazines it's straight forward: cover design, news trade promotions and pricing. On the web it's terrifying; dozens of things to tackle from search engines to email newsletter publishing. I need an army; and one with skills!"

The digital difference in skills they need?
A solid understanding of direct marketing is useful because it lays the foundations in measurement and analysis that can drive much digital decision making. Training can teach the teams about new channels at their disposal, and this can feed into discussions about the role of content management and publishing tools in creating syndicated feeds for RSS, social media sites, and email news alerts, as well as the fundamental challenge of search engine

optimisation. Some of the common aspects that cause the most challenges for publishing marketing teams include:

- Online marketing theory – understanding the full mix rather than just the products sold by the website

- Search engine marketing skills – and the models for integrating the publishing system with optimisation techniques

- Understanding navigation, design and usability – and how these can boost traffic from existing audiences

- Web analytics and audience research – and how these tools can quantify and structure the marketing process

- Wider web publishing strategy

d. Building stronger publishing management teams

The more senior the capability weakness, the greater the risk to the business. The traditional publishing industry has provided the greatest reservoir of talent for filling the needs of the new online sector. Because every business that creates a website becomes a publisher, there is massive demand on publishing skills and the publishing sector in most countries has suffered from an exceptional 'brain-drain' as a result.

Inside digital media businesses, the challenges publishers face in converting from print to digital are the sum of the challenges in advertising, editorial and marketing, combined with the cultural challenges of fostering innovative and entrepreneurial ideas in organisations that may have had somewhat different frameworks.

What makes our coaching approach and these Digital Training Academies so effective?
www.DigitalTrainingAcademy.com
- ☑ Leading trainers and freshest thinking
- ☑ Focused just on the topics that matter right now
- ☑ Customised masterclasses based on the needs of your executives
- ☑ Fast-paced intensive courses that minimise time spent out of office
- ☑ Practical courses grounded in current best practice
- ☑ Robust action plans to transfer the learning back into your business

How senior team members describe the challenge
"Everyone in the firm knows magazines inside and out. They're straightforward and easy because the models and processes are so familiar. But in digital media the fundamental models of content are still changing, the needs and experience of our advertisers vary massively, and in many areas like social media we don't know what we should even do. We could easily waste all our resource and have nothing whatsoever to show for it."

Although most publishers instantly focus on the technology challenges and related jargon, the reality is that their challenges are the sum of all others combined

The digital difference in skills they need?
Although most publishers instantly focus on the technology challenges and related jargon, the reality is that their challenges are the sum of all others combined. The extra areas publishers and directors have the greatest needs in are often in grasping the frameworks of how these businesses work. Some of the common aspects that cause the most difficulty include:

- Web design and its relationship to page traffic and discoverability

- Web publishing business models and the drivers of revenue

- Online marketing trends and how both they and their advertisers should market

- The drivers behind online use and audience behaviour

- Approaches to content development and support

- Management techniques for creating innovation and rapid product development

An example: how to measure market share
One of the starkest reminders of this is in how publishers approach thinking about their share of a market. In executive level Digital Training Academy workshops, we often see publishers draw a competition audit based on the titles and media properties they competed with before the arrival of digital networked media. When print or broadcast audiences are static or falling slightly, looking at the growth of the website traffic can be a comfort. But this isn't comparing like with like as website audiences may be less loyal and less commercially valuable.

When the key internet pureplays from the same sector are laid onto the graph, usually the situation doesn't look quite so good. Search brands such as Google and Yahoo, portals such as MSN, and online pureplays from the particular vertical sector should always be evaluated when describing the competitive landscape, and any publisher that doesn't intuitively follow this approach risks losing more than their audiences.

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3. Best practice and solutions

Best practice in building stronger HR policies

Working with publishing teams from so many countries reveals what does and doesn't work in digital publishing strategies and staffing structures. Every publisher sits in a unique space in their markets and has a unique mix of resources, cultures and corporate ambition. There is no one-size-fits-all model for structuring media businesses that embraces multi-platform distribution, and while many aspire to full integration of web, print and broadcast, for most it proves to be still too early.

There is no one-size-fits-all model for structuring media businesses... while many aspire to full integration of web, print and broadcast, for most it proves too early.

To help publishers navigate some of the choices they are faced with, we reviewed the practices of publishers Digital's group have worked with to look for common threads of best practice.

Advertising sales
Best practice tips for organising digital advertising sales capabilities in multi-platform publishing organisations

1. Help the existing teams learn enough to have the basic sales conversation

2. Focus on a few digital experts who can take those conversations further and deeper for the clients and agencies who already use online extensively

3. Blend internal promotion and training with external recruitment for key hires

4. Look for specialist online advertising sales networks and affiliates to plug gaps

5. Focus on the cultural flashpoints (editorial change, ad sales motivation), invest senior management for goal alignment

Editorial teams
Best practice tips for organising digital editorial and content capabilities in multi-platform publishing organisations

1. Help existing teams learn enough to enable writing for all channels

2. Build house style-guides to codify knowledge

3. Audit and improve the business processes to ensure it is working effectively and create a mechanism to regularly review structures

4. Consider separating out product development from day to day digital operations and invest in a small number of digital leads who can drive innovation

5. Centralise technical architecture, platform and systems; actively exploring outsourcing and partnerships

Marketing teams
Best practice tips for organising digital marketing and customer management capabilities in multi-platform publishing organisations

1. Increase the resources to ensure it is fit for the intended purpose

2. Build models and approaches that scale across titles and sites

3. Focus on a few digital experts or bring in the people you need as digital leads to develop centralised programmes that can be deployed across digital brands

4. Blend internal promotion and training with tactical external recruitment

5. Develop knowledge sharing and best practice across the business so the organisation truly becomes a learning engine

Publishers and leadership teams
Best practice tips for organising leadership capability development in multi-platform publishing organisations

1. Coach publishers to accept the rapid pace of change as a permanent state of the market; help them acknowledge they don't have the same business intuition

2. Develop new structures to lever centralised economies of scale

3. Recruit expert digital strategists / consultants to facilitate and lead in key areas

4. Train publishers to run the new business units once implemented, ensuring they are skilled up enough to manage the teams ongoing operations

Digital Insight Reports
www.DigitalStrategyConsulting.com/**insight**

In times of huge economic and technical change, knowledge becomes a critical success factor. We created the Digital Insight Reports to bring you insights from a particular part of this fast changing industry. They are independent perspectives on key issues around business or marketing in the digital networked economy. Look out for further reports in the series about online media planning.

4. Implications and ways to tackle the skills crisis

Reflections

The digital skills crisis is here to stay. As internet and mobile publishing technologies evolve, and the sectors swell in strategic importance to both media businesses and their advertisers, the skills gap will remain. No sooner have people become trained up than new models appear. No sooner does a firm fill its headcount, than new products and divisions are created. The publishing industry has the largest reservoir of talent in media, and with publishing firms needing to both motivate and retain their staff, bridging the skills gap through training is not only financially smart, but harnesses the passions and insights of the brand existing teams have nurtured over time. And that's something much harder and tougher to train than the digital conversion skills they need today.

Training is simple and fast to implement

Training is a simple and immediate solution for firms large or small to quickly bridge the gap and begin to address the capability issues. It builds skills, confidence and loyalty among existing team members, demonstrates the firm's investment in them at a time of rapid change and raises performance of the whole business. Most importantly in a time of rapid market change, training can begin straight away while hiring may take months to find the right candidate and much longer to get them up to speed.

Digital Training Academy's world class training raises skills quickly, focussing publishing teams around the business challenges they face, while building their knowledge and intuition so they can solve problems by themselves in future. The Academies bond teams together and boost their confidences as well as delivering a framework of knowledge they can build on in the future.

- At the Digital Training Academy there is a portfolio of 40 digital publishing and marketing courses designed for the digital editions and leadership teams of magazines and newspapers. They have been developed by leading online publishers and delivered in 20 countries through Digital Strategy Consulting, a training and strategy business set up in 2000 to help firms get web media right first time.

- The most popular Digital Training Academies remain Media Sales, Commercial Strategy, Publishing Strategy, Editorial & Content, and Community & Social Media, but over the next two years we expect to see video, mobile and traffic building move to the forefront.

There are orientation level courses for newcomers, advanced versions for the experienced and masterclasses for experts.

Digital Training Academy programmes
40 intensive digital marketing and publishing coaching programmes to boost the effectiveness and productivity of digital teams in media owners, brands and agencies.

"I've been in digital for many years, but the Digital Training Academy you ran for our senior management has transformed this company. Congratulations."

Media company board director and participant, in-company Digital Training Academy programme

Boosting your digital teams
Our programme of training for media owners, consumer brands, agencies and business service firms covers more than 40 different disciplines within digital marketing and publishing. We cover everything from improving the effectiveness of search marketing to writing smarter email campaigns, from harnessing social networks and blogging, to strengthening media sales teams.

How can we help you?
Call one of our Academy Managers today on + 44 (0) 20 7244 9661 or talk with us by simply emailing Admissions@DigitalTrainingAcademy.com

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Capturing your ideas
www.DigitalTrainingAcademy.com

In many Digital Training Academies, we act as facilitators to help you devise more robust digital strategies. As part of our courses we capture these ideas, and channel all the energy of the training sessions into knowledge you can use back in the workplace.

More than 40 one day courses
All at orientation and advanced level

Marketing Academies: Analytics, email, integrated marketing, marketing strategy, media planning, PR, research, search engines, viral & buzz

Content Academies: blogging, community, email publishing, product dev., site design, social media, Web 2.0, writing for the web

Publishing Academies: Driving traffic, media sales, website design, ad trafficking

Commerce Academies: Getting more sales, increasing conversions, increasing traffic

Digital Training Academy topics
www.DigitalTrainingAcademy.com/training

Since 2000, Digital's team have been delivering intensive training and coaching to accelerate the skills of marketing and publishing teams. Every Academy is customised to suit the topics that matter most and the level of the learners. Training has been delivered in 20 countries and there are programmes of public access training days running this year in many countries.

Without a strong team, the whole digital strategy could be at risk, so ask the Academy Managers here at Digital how they can quickly boost the skills of your team.

Digital Knowledge Packs
www.DigitalTrainingAcademy.com

Every participant on a Digital Training Academy receives a comprehensive Digital Knowledge Pack, crammed with reference material, presentations and related research. Before you start your Academy you'll receive stimulus materials and exercises from us. You will build up your Digital Knowledge Pack up during the course of your Academy so you can focus on the ideas that matter and take notes on the actions you'll implement.

Our strategy and training programmes

→ Corporate and product strategy development
→ Business plan analysis and risk assessment
→ Executive digital management coaching
→ Digital skills and knowledge training
→ Customer acquisition strategies
→ Market research and analysis

If you have any questions about our approach to training, or the detailed content of the course then please email or call the team.

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Making sense of a digital world

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