



Innovation and business sustainability checklist document

What do we mean by “innovation”?

It is important, when drafting a Stars4Media Proposal for initiative, to reflect on **what innovation means** and to ask yourself whether your proposal is potentially innovative.

In fact, it is not straightforwardly clear what innovation means in the broader context of media (and more specifically of news media): there are of course different theories and best practices.

What could be helpful in the preliminary phase of proposals submission is to reflect on **one main overarching principle that** is key for narrowing down the possible interpretations of innovation, looking at the main objective of Stars4Media: **help the media sector find strategies to make their business financially more sustainable.**

What is this principle entailing for you? When you think of how you might contribute to innovate the media sector with your idea, you should **rule out any idea that can hardly be sustainable in the medium-long term.**

What do we mean by “business sustainability”?

An innovative Stars4Media proposal describes how you intend to develop a medium-term project (max 4 months) with the potential to (a) **reconfigure the *business as usual*** in a given media context by (b) **increasing the business sustainability** of a company or of the work of a freelance professional. A typical successful Stars4Media initiative should revolve around the realization of a service, a content, an editorial format, a product, an internal work-process that **creates a new revenue line or strengthens an existing one.**

Stars4Media is not just about financing any ‘good’ project that a company/professional has in mind. Stars4Media is primarily about providing media professionals with tools, resources, skills and expertise to make their ideas sustainable. At the end of the exchange and training programme, the company/professionals involved will have ideally **gained insights/expertise/experience/resources to change their usual way to do business towards a more sustainable scenario.**

Stars4Media is about trying out new ideas to help the journalistic sector overcome the crisis that has been disrupting the media sector. Some attempts may translate into long-term success, some not. That’s how innovation works: there is a big **component of risks**, without which it would just be impossible to progress further. What is crucial is to dare thinking strategically and come up with ideas that have a realistic potential to bring things further.

Two further notes to clear possible misunderstandings:

- There is traditionally a focus of business sustainability on finding new business models. While this might be a successful operation, keep in mind that **other ways can also help a media organisation to become more sustainable**, over time. For example:
 - a) applying *existing* business models to a new area / country
 - b) boosting/improving an existing business model (eg subscriptions)
 - c) reducing production and diffusion costs while keeping or transforming the existing revenues.

Bear in mind that the **internet greatly reduced the production and diffusion costs**, hence boosting readership, and new technologies like AI (including LangTech) may do as well. Some in the media may regret the downside of such technologies, but not harnessing them means leaving them to platforms

- Sustainability is sometimes understood as environment-friendliness. While this is a worthwhile consideration (and may help reduce costs too, or increase consumer appeal), **'sustainability' is used here in an economic sense**: it means creating financially sustainable innovative ideas.

INNOVATION CHECKLIST

You may consider as an innovation: (what follow are just some examples of best practices, others could be proposed)

1. The **creation of a key product/service for your company** with the involvement of a professional whose skills were not usually considered for that product/service

Example: A new editorial product focusing on short info-video for targeting young audiences is proposed by a journalist of a news agency in Italy, which involves 2 professionals of the same company with a marketing position (SEO and SMM). Team A (Italy) partners with team B in Germany, a video-making company that aims to expand its expertise in editorial formats.

2. The **cooperation of 2 teams of professionals with complementary skills** to create a new product/service

Example: Team A in Hungary has an idea in mind for a new podcast with an innovative component but does not have internal resources to develop it technically. They partner with Team B (Spain) composed of 2 web developers and an audio expert.

3. The cooperation of 2 or 3 teams for the **realization of a service that responds to a need of the media sector that is still unanswered.**

Example: A group of freelancers cooperates for creating an online toolbox service to help journalists optimize resources and skills for remote interviews and remote reportages.

4. The creation of a **new technology that allows optimization of work processes**, reduction of costs or increase of quality production.

Example: A Danish tech start-up has designed a new technology for optimizing fact-checking of sources, to make the process faster. They partner with a Greek news agency, which tests the proposed technology and provides feedback for its improvement and implementation.

What you should NOT consider an innovation:

- Doing a journalistic **reportage/product that does not involve any element of change** with the usual methods already applied to carry on key operations in the companies involved.
- Write a news story. The **innovative element should not lie exclusively in the content**. The innovative aspect can be at the editorial level, but it has to address how stories are presented (format) or how a certain topic is narrated (angle and tone). Note that such editorial innovations, as such, are not necessarily business-sustainable.

BUSINESS SUSTAINABILITY CHECKLIST

You may consider good practices of 'Business Sustainability':

(what follow are just some examples of best practices, others could be proposed)

1. The **creation of a key product/service involving a sponsor** that supports it.

Example: a new YouTube channel dealing with a rather specific topic is created, targeting an already existing audience, to strengthen its loyalty. Besides the fact that this in the medium/long term might translate into increased direct revenues, the companies manage to involve a sponsor that supports the initiative in the short term. The sponsor can be a new or an existing client: co-development of products with existing clients is typically the surest path to sustainability

2. The **involvement of a 'business consultant' partner in the initiative** to leverage the results achieved and turn them into profitable assets.

Example: Team A, a digital news agency, and team B, a technological start-up, develop together a new product for providing AR experiences in physical places to enhance their journalistic mission. In order to plan how to make the initiative sustainable in the long run, they involve a third partner that helps them evaluate the options for profitability and design the tool with the goal of a sustainable outcome.

3. The cooperation of 2 teams for the **production of a product/service which is integrated into an existing business strategy** of the companies involved.

Example: A cross-border team of companies that are already working on strengthening their membership model partner to work on the realization of a new format of online sponsored debates to create a new revenue line that can benefit both companies. Whether each side then goes their own way, or continue cooperating, in both cases they have learned on business sustainability.

4. For an existing editorial service, **diversification of funding is key.**

Note that non-commercial support like crowdfunding or foundation projects do not count as subsidies: it is not taxpayer's money, and may be sustainable. The same applies to bidding for communication services to State authorities, if this does not infringe the independence of the underlying editorial services.

You may NOT consider best practices of business sustainability:

- The production/realization of a product/services/technology using the Stars4Media support **without planning for/investing in a continuation plan** for future sustainability.
- A project whose **costs are far higher than the revenues**, even after the launch phase or whose **future financing depends on successive subsidies.**
- A **project that does not identify a business model.** Elaborating a business model should entail decisions on several aspects of the project: organizational design (how to manage internal resources), service design (positioning of the product/service), product design (product/service differentiation choices), and chiefly, revenue model.