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Back to Basics

APN Australian Regional Media is focusing on the fundamentals and engaging and empowering its staff as the company moves forward.

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For most CEOs, widespread, long-lasting cultural change is one of the hardest transformations to achieve. Over the past year, APN Australian Regional Media has seen a systematic and substantial cultural change throughout its operations as its employees redefine how they approach what they do.

APN Australian Regional Media (APN ARM) is one of Australia's most diverse and successful media companies, with a range of media arms under its wings including 12 daily newspapers, more than 60 community newspapers and non-daily publications, and over 30 regional news websites.

APN ARM is a division of APN News & Media, one of Australia's largest multimedia companies listed on the Australian Stock Exchange. In addition to being the largest regional daily newspaper publisher in Queensland, APN News & Media is also the largest radio broadcaster and outdoor operator in Australasia, and the leading media company in New Zealand.

Neil Monaghan has been the CEO of APN ARM since April 2013, and has worked diligently with his senior team to restore his

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employees' faith and belief in the company and its core goals. *The CEO Magazine* recently sat down with Neil to discuss how he has revitalised and redefined the strategic direction for APN ARM.

***The CEO Magazine:* How have you transformed APN ARM and halved staff turnover since becoming CEO last year?**

Neil: When I took over this business, we had real morale problems. The first thing we had to do was restore belief in what we do. As an industry, we've probably been a bit negative ourselves and we've created a bit of an image problem. Once we got people back believing in what we do, we had to make it simple for them to do their job and set them up for success; successful people will want to stay around.

How did you go about doing that?

The first thing was communication. In the recent past, we'd done a relatively poor job of communicating with our staff. We increased the communication levels around what we were trying to achieve. We created a culture of empowerment and gave staff the tools and leadership and development framework that they needed to be successful. We have

great staff; we just needed to switch them back on.

How will you focus on the fundamentals in coming years?

Getting back to basics was a big thing for us in the past 12 months. In 2014, it is about doing the basics really well while we reposition the business for the future. Again, it comes down to leadership and management—so, setting clear expectations of what is required and bringing real accountability back to the business, getting focused once again on basic sales disciplines, basic editorial disciplines, and just resetting that baseline expectation of what is required. I believe in setting strategy, getting the right managers in place, and letting them manage.

How do you work with local producers and creators to source great local content for your publications?

We've got a big local editorial focus and continue to invest in retaining journalists and photographers on the ground in the communities that we serve. To give you a sense of scale, we produce around 27,000 local stories a month. So the key for us is to provide local content for local people. That is what makes us different to the generic metro >



content providers and allows us to deliver a highly engaged and exclusive audience to our advertisers, both in print and online.

With many crying the death knell of the print industry, how is APN ARM bucking this trend?

I wouldn't say we're bucking the trend, but we are certainly doing as well as any in this industry. Our circulation results are some of the best in the country; in the last results, ARM outperformed our peers with seven of the top nine performing regional dailies. A solid performance in our core business, whilst we continue to grow our new revenue streams such as digital advertising, will ensure we have a long-term future.

How do you work with suppliers and strategic partners to achieve success?

We have an interesting mix of supply partners across all our pillars, whether its production, editorial content, or finance. Most of our suppliers have been fairly long-held and we have deep relationships with them. They understand our business, they trust us, and we trust them. They also bring to us knowledge of what's best practice throughout the industry, and that relationships work in two ways. We are currently exploring digital printing technology, which is an exciting future development. This is being done in collaboration with a couple of our key partners who can bring global experience to the table.

Your fleet provider, ORIX Australia, is a key supplier for APN ARM. How have you worked with them and nurtured your relationship?

ORIX brought to us a new level of discipline in how we manage our vehicles, particularly the vehicles we use to support our distribution network. We visit around 1,000 retailers every day, delivering our products across a huge geography from Coffs Harbour in New South Wales to Airlie Beach in North



Queensland and almost everywhere in between. ORIX has assisted us to fully understand the options available and ensure we pick the right tool for the job.

Where do you see the media industry and APN ARM going in the future?

I wish I had the answer to that question! For us, this year is about continuing to do the basics well as we look for growth—like any other business, we want to grow. Our digital revenues have grown significantly, and we're now looking at integrated content strategies with our advertisers.

The key will be in how we leverage our assets, as the future will be platform agnostic. We have unique, local content, and it's that local content that will ensure we continue to have an audience. As long as we have an audience, we have a strong and compelling argument for advertisers.

What are the core strategies that are going to form your approach in the next few years with APN ARM?

We're just working through strategies at the moment. Media is constantly evolving, and it's about picking your battles wisely. We are looking at how we grow and further diversify our business. This year has been about base-lining it and developing revenue

streams that leverage our stabilised core as a platform for future growth. Obviously, digital revenue growth is a priority. We also have an expansive amount of data on our customers, so we're looking at how to better monetise that.

We're also looking at how we can better collaborate with other parts of the business and the industry in general. I think in 12 months time we'll look quite different as we diversify our revenue streams and further explore those adjacent business opportunities.

After APN ARM's recent transformation and your work to restore staff's faith in the business and the industry, how would you describe the culture there now?

I would say the culture has improved. We're not there yet; we've still got some work to do. But I think we've reached a place where people feel more appreciated and empowered. We still have the same challenges; it is a tough business and a tough industry, but there are tougher. People acknowledge and recognise that. This is the business that we're in.

My job is to ensure that they feel there is a future here. We have a strong existing business. We've put a lot of effort going into where we take our business in the future, so

it's about making sure that gets across to our staff at every level.

We undertake staff engagement surveys, and we use tools like that to measure the pulse of engagement in our businesses. At the moment, I'm spending a lot of time going around every one of our newsrooms and working with staff on any issues. Just by listening, I think we improve engagement, and our staff appreciate the opportunity to have a direct conversation with the CEO. It also gives me the opportunity to restate the positive developments in our business face to face.

What do you believe is the positive core of APN ARM?

We've been in these businesses and mastheads for over 100 years, so we are absolutely embedded in our communities. We currently

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have a strong, viable business, and it's really important we communicate that at every level internally and externally. There has been a disproportionately negative vibe around our industry and we need to challenge that. It's a tough business, but I think if you acknowledge the business that we're in and give people that feeling that there is a future, then you get productive and positive employees.

The key for me in this business has been to provide strong leadership and management in a constantly changing environment. It's about getting everybody pointed in the right direction and feeling positive about what they do, if we believe that, our customers believe. It's an incredibly powerful thing when it all starts to move in the same direction. We've got that happening now, and that's the important thing for us—to get everybody moving in the same direction. It's that momentum that will allow us to reach our future potential. ●

"APN and ORIX formed a clear understanding from the outset on what was required to optimise all aspects of their vehicle fleet. Whilst this doesn't happen overnight, tangible and measurable benefits have and are being progressively realised" – Chris Briggs, General Manager, ORIX



\$5.7 million in 3 years

A Major Mining Company

\$2 million in 2 years

A Multinational FMCG Company

\$3.8 million in 3 years

A Trans-Tasman Construction Company



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