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Towards operational excellence

Capital Markets Day
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”A chain begins to function slowly and only when its members feel concrete benefits. After that it begins to draw members and refuel itself.”

- Ketjuskooppi online survey 01/2006



Chain operation: Cornerstone of Alma Media's strategy

A strategic choice at a turning point in the business

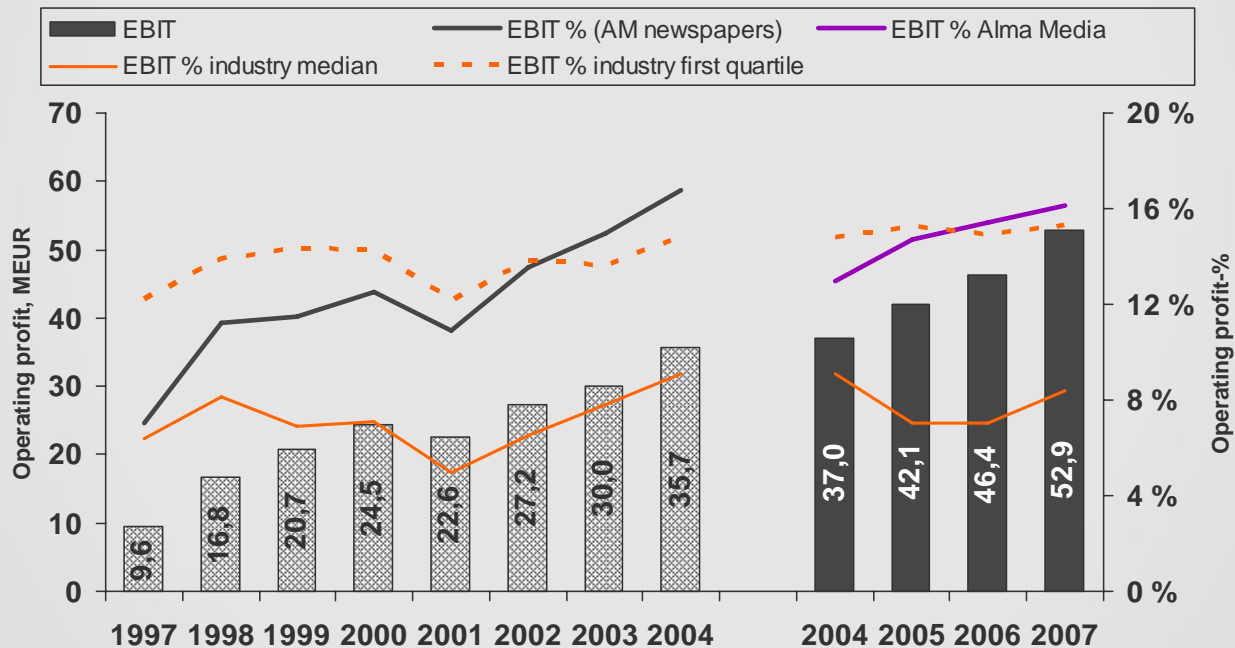
- Increasing speed of change and uncertainty in the operating environment
- Changes in media consumption
- Accelerating technological development
- Fiercer competition, also from outside traditional media business



- Increasing business development needs
- New business opportunities
- Relatively high fixed costs of the business
- Group benefit utilization

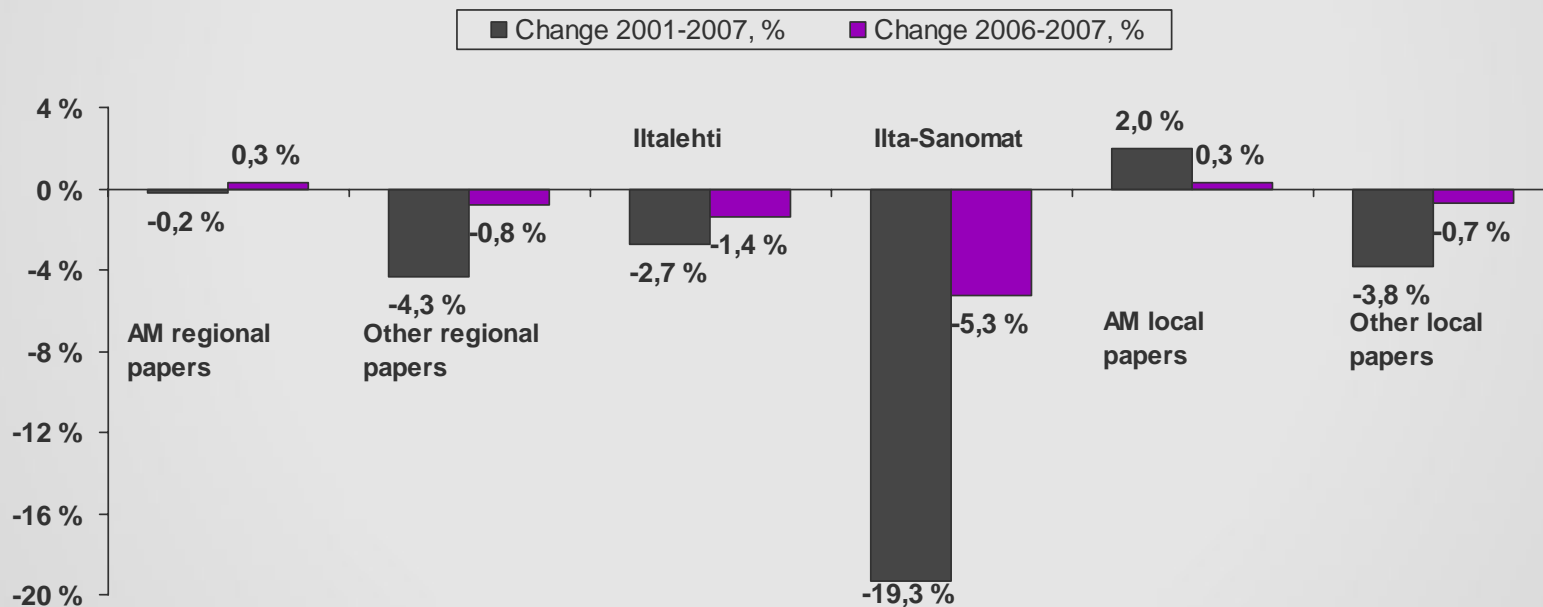
Benefits of chain operation can be seen in profitability

Operating profit vs. industry general



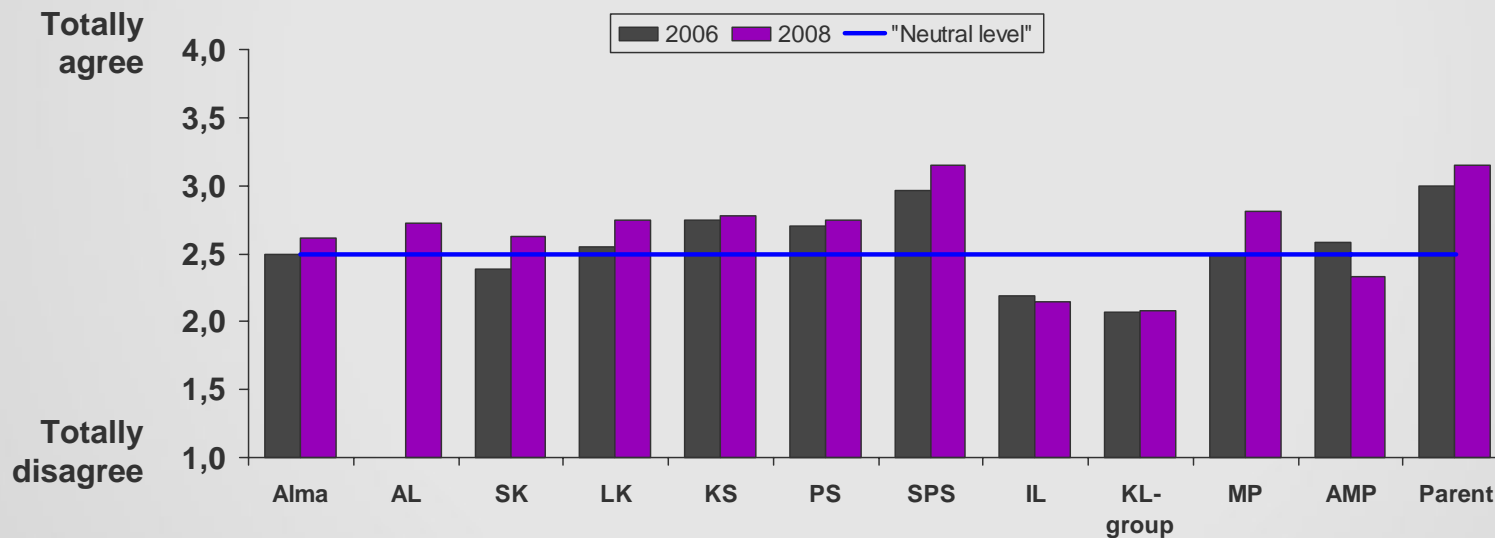
... in circulation development

Circulation development vs. comparison group

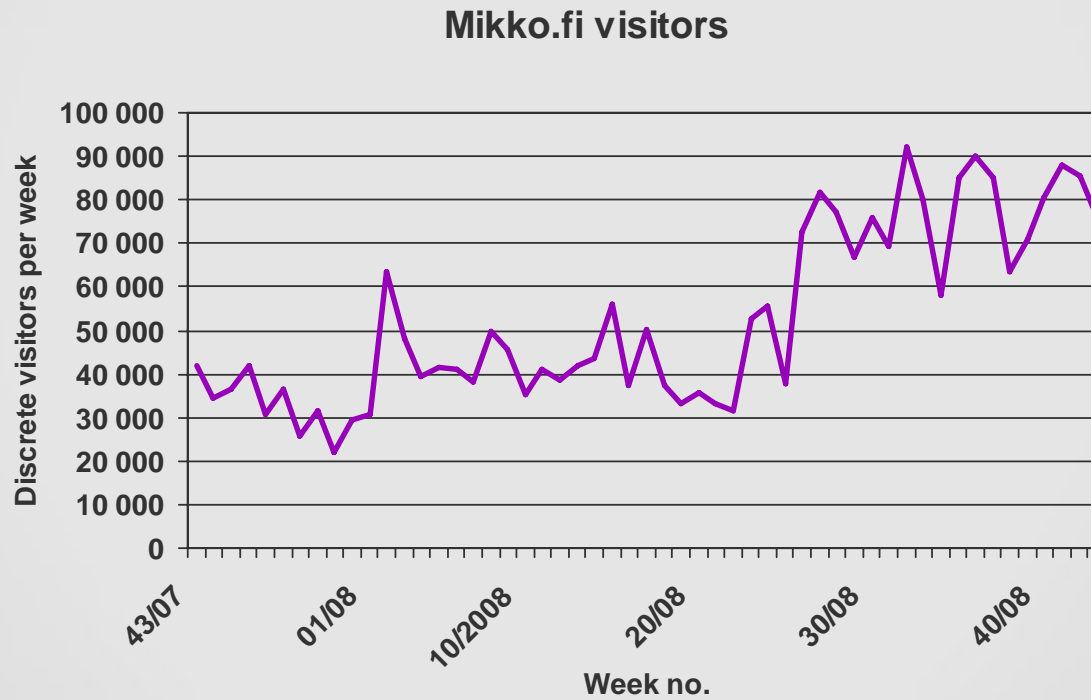


...in operations

Staff survey Dynamo 2008
'Chain operation is useful in my day-to-day work'

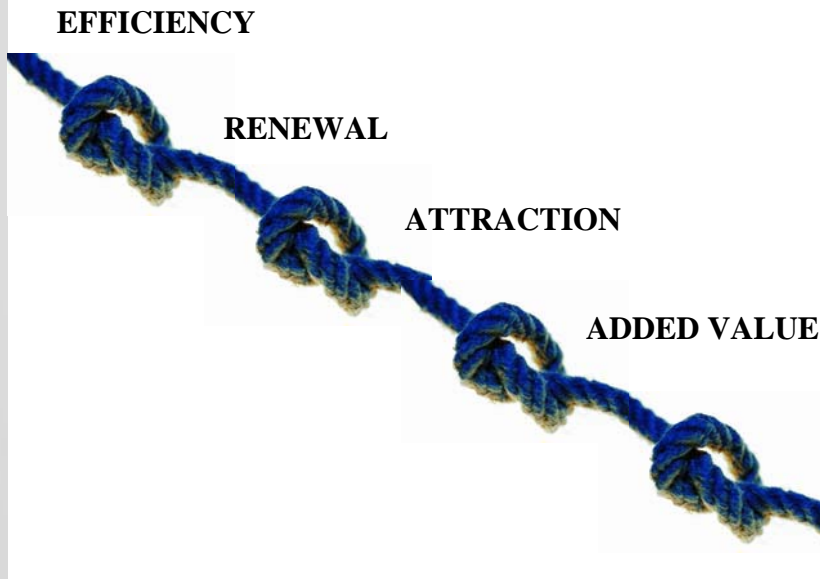


...in number of visitors



Target: overall positive development of the Group

Goals



The benefits manifest themselves at unit level as better:

- Circulation and online visitor development
- Media sales development
- Productivity
- Renewal capability
- Journalistic quality



Chain operation in the newspaper business

Editorial	Story exchange, co-operation in news and content, training, development of content and design
Circ. & consumer marketing	Joint marketing activities, customer care models, reporting and statistics, IT systems and development, databases, centralised invoicing, development of customer service
Media sales	Development of sales and sales management, sales processes, development projects, key customer handling
Brand & research	Joint purchases, research utilisation, brand modelling, marketing tools
Distribution	Securing early-morning delivery, management of own delivery operations, delivery partnerships, delivery service level and quality, development of delivery system
Printing	Joint purchases (paper and other key materials), joint operations eg. pre-press centre, investment planning
IT & production technology	Service process for IT infra, license management and agreements, server centre services, data transfer, data security, hardware and software, purchasing model, partnerships
HR	Joint HR tools, processes and systems, incentive programs, competence development, best practices, support for supervisory duties



Chain operation in the online business

Editorial	Website structure and design, content, services (hybrid), visitor cross-linking, principles of co-operation
Circ. & consumer marketing	Visitor stream generation, links, e-marketing and customer service, development of targeted online advertising
Media sales	Development of online advertising and new solutions, joint selling
Brand & research	Brand solutions, image and user surveys, online advertising research, data banks
IT & production technology	Online service infrastructure, development of IT, partnerships, availability metrics
HR	Competence development, best practices

Way ahead



Growth and development projects



Innovation



Continuous development of operational efficiencies



Management and leadership



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"The night is darkest just before dawn—the moment probably passed hours ago! In other words, just go forward;-)"

- Ketjuskooppi online survey 10/2008

Thank you!

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