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1 – ELECTRONIC NEWSPAPERS

E-READERS VS. PC TABLETS

When will newspapers be delivered electronically to handheld devices that are truly portable (with batteries that stay fully charged), work really well (are simple yet sophisticated), cost the reader little (or nothing), and are extremely useful (say, for example, being continuously updated)? Sooner than you might expect, with books and magazines to follow.

Several newspapers in Europe and Asia are already producing dedicated e-reader editions, and others are following suit, reports Marlowe Hood in *IEEE Spectrum*. At the forefront are a couple of dozen publications part way through a three-year electronic news initiative organized by IFRA, a 3000-member publishing trade association, to evaluate business and editorial opportunities opened by a new generation of handheld electronic devices. Participants include *The New York Times*, the *International Herald Tribune*, *El Pais*, The Telegraph Group and *Yomiuri Shimbun*.

Despite the discouraging performance of e-book technology over the last decade, e-reader technology in newspapers is evolving rapidly. All actors in the sector, including device makers and content providers, have accelerated development. Teblado, a digital media consulting firm in Paris, predicts that 2007 will be a breakthrough year.

Many newspapers continue to turn handsome profits, but with circulation and ad revenue generally stagnant and more and more readers going to the Internet first to get news in real time, no publisher can ignore the writing on the wall. New e-readers being developed in Europe and Asia may just bring newspapers into the mobile digital age.

Take the iLiad, for example, an electronic reader developed by iRex Technologies, a Dutch company. At first glance, the iLiad looks like an oversized PDA or ultrathin tablet PC, but unlike those heavy, power-hungry, backlit LCD screen devices, the iLiad is composed of a plastic sheet embedded with millions of microscopic capsules containing oppositely charged black and white particles. A positive charge applied to the electrodes in the substrate attracts the black particles and pushes the white ones to the top of the microcapsule, where they become visible, and vice versa.

Because the screen, like paper, reflects rather than transmits light, it is equally viewable from any angle, unlike an LCD screen, which is designed to be viewed head-on. It is also readable in direct sunlight. The static image doesn't drain the battery, which at present holds a charge for 15 hours (soon to be 20). It is small, light and high-resolution. Of course connectivity will be critical (wired and wireless), and so too, eventually, will be color display.

Such devices will be expensive (from \$200 and up), but it may actually make financial sense for newspapers and advertisers to give the units away. Consider: newsprint accounts for at least 20% of production costs at most newspapers, with distribution accounting for 5-10%. That means the average newspaper spends \$150 per year per reader just in production and distribution costs. On the theory of "give-away-the-razor, sell-the-blades-forever," it may make sense to provide the devices free, and charge premium subscription fees for customized content.

Trials are being launched in Europe, Japan and China. Here in the States, Microsoft seems to be

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betting that streamlined tablet PCs will overtake e-readers in the competition for mobile news consumers. The company recently developed a scalable, fit-to-screen edition of *The New York Times* that works on platforms ranging from small PDAs to king-size graphics monitors (using only Windows or Vista operating systems, of course). Called the Times Reader, it is currently available in beta version.

One advantage of the PC tablet approach is that the cost of acquiring the device is more easily shifted to subscribers (or their employers). After all, you can do work on a PC tablet, but not on an e-reader. Another possible business model, emerging in Europe, allows a publisher to offer a device that not only contains a regularly updated edition of one particular publication but also the possibility to subscribe to others. Major newspapers in Sweden, for example, will soon announce their simultaneous launch of e-reader editions, so that once you have the device, you can subscribe to any of their services.

The maker of the iLiad, iRex, already provides what amounts to a hosting service on its servers for newspapers, acting as an interface between publisher and consumer, and Amazon is said to be planning a similar service.

The only sure thing about the future of e-newspapers is that the readers, editorial content, and business ideas will keep evolving quickly. The business environment makes it risky to make bold moves now but riskier still to sit on the sidelines doing nothing. Unless, that is, there is no future for generalized information aggregators/gatekeepers at all:

2 – 20TH VS. 21ST CENTURY BUSINESS LEADERS

PATHS TO POWER

Two years ago (in issue #975, March 2005), we reported on “The Path to the Top,” a Wharton Business School study that documents how the

INFORMATION HUNTER-GATHERERS

Newspapers will not exist 20 years from now, and not just because there’s not much of a future for the once-a-day physical distribution of highly perishable information, printed with ink on thin sheets of chemically-treated wood pulp. And it’s not just that everything is moving to the Web. It’s that the notion of broadcasting to the masses is dying.

As Patrick Ruffini opines on townhall.com, audiences for information used to passively consume content; now they’re active information hunter-gatherers, cobbling together a customized diet of news, data, info, opinion, entertainment, advertising, etc. Old media isn’t always the loser – more often than not, in fact, new media is old media’s output cut down, parsed, repackaged and passed around. But that sure changes the business model.

In the new media world, you don’t need big numbers so much as you need to generate passion and interest with the right audience. This is teaching media outlets both old and new to drop old models and to start embracing niche audiences. *The Politico*, for example, is a “new media” publication recently launched by several “old media” hands. It intends to aggregate an audience of political junkies across the country. The web site generated 1.5 million unique visitors in the last month. It may publish a printed version, but that obviously can’t and won’t be the focus.

Of course none of this is new, except perhaps for the fact that traditional media outlets are starting to recognize the new realities and are responding accordingly. The future, in other words, is up for grabs. Newspapers delivered electronically to e-readers or PC tablets may be part of that future, or they may not.

attributes of corporate executives have changed since 1980. To summarize: Today’s executives are younger, more likely to be female, and less likely to have Ivy League educations.

Consulting in:

- Market and industry analysis
- Strategic business direction
- Growth dynamics

Providing:

- Trend identification and analysis
- Keynotes and presentations
- Proprietary research and reports

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A recently published book on the subject is *Paths to Power: How Insiders and Outsiders Shaped American Business Leadership*, authored by three Harvard Business School professors (Mayo, Nohria, Singleton). What does their research suggest about American business leadership in the future? Businesses that will succeed in the 21st century will be those that can:

- embrace the diversity of their workforce,
- compete in a global landscape,
- differentiate their products and services for a more discriminating customer base.

Changes in the social context of business, conclude the authors, will require leaders (both men and women) who have a global perspective, and who can harness talent and sustain innovation. But what about the traits of successful small business leadership?

BUILDING THE 21ST CENTURY LEADER

Heading up a successful small company today is a lot different than it was 50 years ago, writes Carol Tice in *Entrepreneur* magazine. So what are the traits the 21st century leader needs to succeed? Some of the factors that make a great leader haven't really changed. The abilities to innovate, execute and be a strong role model for your staff will always be essential. But in addition to these qualities, a new leadership style is emerging, with skills uniquely tailored for success in today's environment.

Mark Stevens, author of *Your Management Sucks*, has dubbed this model 21st century small business leader The Enlightened Warrior, someone who is decisive, insightful and constantly challenging convention to keep ideas flowing. This leader is Enlightened in the sense of being informed and innovative; and a Warrior in the willingness to take on challenges (and the passion for achieving goals).

Several new factors in the current business environment demand this kind of leadership, such as the increasingly rapid pace of technological change, the growing diversity of the nation's work force, and the anticipated skilled worker shortage. Coping with these and other challenges will require the following key leadership traits:

Adaptability: Flexibility about what to change and what to keep.

Self-Awareness: Leaders need to look within themselves and root out negative patterns. Only then can they gain buy-in for change from everyone else.

Purposefulness: Having a Purpose is more important than having a Vision.

Decisiveness: At the current pace of change, the days of holding endless meetings to discuss possibilities are over. The desire to reach consensus has to be curtailed at some point.

Collaborative Skills: Problems facing today's companies can't be solved if department leaders stay in their own silos.

3 – WINE TRENDS

US POISED TO BECOME GLOBAL WINE LEADER

2006 was the 12th consecutive year that total wine consumption increased in the United States. More than 250 million cases of wine were sold, a 3.3% gain over 2005. Per capita consumption reached 2.88 gallons. At these rates of growth, by next year the US will overtake France and Italy as the world's

largest consumer of table wines. According to the Wine Market Council, it's official: America now qualifies as a true wine-drinking nation.

Growth of wine consumption is likely to continue: American consumers are becoming more mature, sophisticated, affluent and traveled, all attributes that coincide with higher wine consumption.

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Growth Strategies newsletter was formerly published as *FutureScan*.

Millennials, the 70 million Americans now ages 13 to 30, are showing a greater interest in wine than any preceding population segment, even if many are not yet old enough to drink legally. In fact, according to the *Wall Street Journal*, Generation Y wine stores are opening all over the country, designed to appeal to that younger demographic by making the wine-buying experience less intimidating and more fun.

The Best Cellars chain of wine stores was among the first to leverage this trend, with easy-to-navigate stores and wines organized by style categories (fizzy, fresh, soft, luscious, juicy, smooth, big and sweet). Other wine store trends identified by the *Journal*:

- Smaller selection. Less is more: a limited number of good bottles is better than an overchoice of mediocre bottles.
- Wine by weight (heavy to light), or taste profile (bright, plush, mellow, etc.).
- Keeping cool. Wine should be stored at around 56 degrees; so should stores. Some offer coats to customers when they walk in.
- Food pairings. Specific wines go with specific foods, some provide recipes, others sell foods associated with wine (such as fine cheeses).
- Do one thing well. Wine stores have specialized in this region or that, but there now are more stores that sell wines from only one place.
- Kids' areas. Some stores are providing small sections with books or crayons to keep kids busy while Mom and Dad shop.
- Tasting notes. Many stores display their own tasting notes for every bottle in the store (and include one with purchase). At one New York wine store, a consumer can scan the bar code of any bottle at one of several computers and see all sorts of information displayed.
- Remember me. Practicing mass customization, store computers can keep a record of each

person's purchases, likes and dislikes, even family member birthdays and anniversaries suitable for wine gifts.

- Handpicked wines. Unusual wines not carried elsewhere.
- Enomatic machines. These machines give customers a chance to try a wine for a small price from a machine that keeps quite a few wines in good condition using gas.
- Meeting, tasting or lounge space.
- Quiet education. The more people know about wine, the more they enjoy it and more of it they will buy.

WINE HELPS YOU LIVE LONGER

While previous studies have tied alcohol consumption to lowered risk of cardiovascular disease, a new study from the Netherlands may be the first to say that wine confers higher survival benefits than either beer or spirits.

The study was based on the analysis of data mined from a study which followed 1,373 men born between 1900 and 1920. The men, who were enrolled in the study at age 40, were tracked for about 40 years. Compared to non-drinkers, men who drank either spirits, beer, or wine had a 36% lower risk of all causes of death, and a 34% lower risk of cardiac death.

Men who drank wine, though, did even better than the beer or spirit drinkers. Men who drank about a half a glass of wine a day had a 40% reduction in all cause mortality and a 48% lower incidence of cardiovascular death. Study members speculated that the benefit may come from "inhibition of platelet aggregation associated with wine."

The bottom line? When compared to men who didn't consume alcohol at all, wine drinkers lived, on average, 3.8 years longer.