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## INN Case Study: Madison365

### Building from the Mission Up: How One Local Newsroom's Focus on Communities of Color Led to Significant Earned Revenue Growth

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By Emily Roseman for Blue Engine Collaborative  
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**Madison365 brings in half its annual revenue from partnerships with businesses.**

#### INTRODUCTION

The midwestern hub of Madison, Wisconsin (the capital and the second-largest city in the state) is known for its extensive lake region, growing technology economy, and leading university.

And [Madison365](#) is here to cover all of it.



Photo from the LION Publishers member spotlight of the Madison365 co-founders, CEO Henry Sanders Jr. and Associate Publisher Robert Chappell.

More specifically, Madison365 is here to cover communities of color in the state capital and Wisconsin at large. It's part of the 365 Media Foundation, a 501(c)(3) nonprofit that also operates [FoxValley365](#), a news outlet focused on covering the northeast part of the state.

People of color comprise almost a fourth of Madison's population (7 percent of Madison's population is Black, 7 percent Hispanic or Latinx, and 9 percent Asian), and Madison365

is one of only a few of the country's nonprofit outlets dedicated to serving communities of color.

Covering stories about race and racism in Wisconsin is no small task. In February 2019, the Department of Education released data showing that Wisconsin's racial gap in high school graduation rates was the worst of all 50 states. Earlier this year, a WalletHub study ranked Wisconsin 50th in racial integration and 44th in racial progress.

Today, Madison365 is known for its coverage of COVID-19's impact on communities of color in Madison; the city's reckoning with policing, racism and hate crimes; and the intersection of the two. You also might have heard of Madison365 because of its Wisconsin Leadership Summit, an annual statewide conference that gathers the most influential leaders of color from across Wisconsin for networking and professional development, or because of its curated "Power Lists" that celebrate the most influential Black, Latinx, Native American and Asian professionals in the state (the latter will be published in mid-August).

Madison365's impressiveness extends beyond its clear mission, journalism and distinct events, though. In this case we will talk about its business and sales team that has brought in substantial financial support from local and national businesses. In 2019, the 365 Media Foundation earned \$100,000 in revenue through event sponsorship (with an additional \$12,000 in ticket sales), \$80,000 from membership packages with businesses, and \$12,000 in advertising sold separately from membership. Together that accounted for 53% of the organization's total revenue for the year. The remainder of Madison365's revenue in 2019 came from foundation grants and individual donations.

The nonprofit news movement has a few earned revenue standouts, particularly at statewide outlets like the Texas Tribune and NJ Spotlight. But, generally, earned revenue success has been more elusive among lean, local and regional startups.

The Institute for Nonprofit News (INN) in its 2020 Index reported that, on average, earned revenue makes up just 11% of total revenue — and that revenue was particularly vulnerable because of COVID-19. Last year, in INN's 2019 Index, revenue from earned sources made up on average 12% of the 108 reporting organizations' total revenue. The Index authors concluded that "earned revenue shows potential for greater growth, particularly in sponsorship and underwriting (i.e. advertising)."

So how has Madison365 performed so well? In this case study, we'll focus on how the team emphasizes its mission to create a network of businesses that support and sustain its storytelling.

### **About this case study**

The Institute for Nonprofit News has launched the IGNITE Sponsorship, a pilot program funded by Google News Initiative (GNI) that will enable a cohort of well-established nonprofit newsrooms to increase their earned revenue from sponsorships.

While many nonprofit news organizations get started with the support of foundations, most that have

grown and thrived have diversified revenue streams that are more conducive to long-term sustainability. The latest findings from the INN Index 2020: The State of Nonprofit News show that foundation grants still accounted for the largest single slice of all revenue across the field in 2019, but it remained at just under half (48%) for the second year in a row. For the first time in the three years the survey has been conducted, a slight majority of nonprofits (54%) said foundation grants accounted for less than half of their annual revenue. Moreover, 41% of nonprofits draw on at least four different revenue streams, including donations from readers and fees from events.

As part of this GNI-funded program, a cohort of INN newsrooms will have the opportunity to work with Blue Engine Collaborative, a new consortium of independent consultants and advisers with deep experience in driving audience and revenue at for-profits and nonprofits. In addition to sharing a customized playbook with its network of 250 nonprofit news organizations, INN will select six to 10 members that are currently pursuing sponsorship revenue and are ready to quickly implement the added expertise. These members will work directly with Blue Engine Collaborative from September 2020 through March 2021, including up to 100 hours of one-on-one coaching.

This case was written by Emily Roseman on behalf of Blue Engine Collaborative; it follows a case on The Rivard Report published July 31. Contributions were made by Agnes Varnum, deputy director of the Texas Tribune's Revenue Lab; Steve Shalit, Business Development Director at NJ Spotlight; and Operations and Growth Consultant Chloe Kizer.

For more information about INN and the Ignite Sponsorship development program, please contact: [news@inn.org](mailto:news@inn.org).

**Here are the four most important things you should know about why Madison365 has been so successful at generating earned revenue:**

1. Madison365 leads with its mission in all its business dealings, that is: to produce coverage specifically for communities of color in Madison and Wisconsin at large. Diversity is vitally important from both a moral and business standpoint for Madison365. The business development team makes the tactical and ideological case for diversity clear in its work with clients and prospective clients — and makes sure those prospects align with that mission. In addition, the newsroom hires and maintains a diverse staff. (For more on why diversity is essential in newsrooms, despite most newsrooms continuing to under-represent communities of color, [see this Nieman piece](#).)
2. The team prioritizes creating custom “membership” packages with business clients. The Madison365 team works with each client to craft a tailored package that directly addresses its client’s needs. This package could include a range of elements including “flat rate” advertising (as opposed to CPM-based advertising) and event sponsorship. This method of selling can be understood as “consultative selling,” or a sales process that prioritizes relationships and open dialogue to identify and provide solutions to a client’s specific needs. Early in Madison365’s history, the team decided to call financial support from businesses “membership” to emphasize that the business’ contribution makes them a part of Madison365’s mission and brand. (Note: when many nonprofit news organizations say “membership,” they typically mean a reader revenue relationship and not relationships with business clients. Although Madison365 accepts donations from companies and individuals, they do not offer a reader/consumer membership program.)
3. Madison365 values relationship-building with clients. The CEO explained how he rejects an old school journalist platitude that journalists shouldn’t be too close with the community they serve. “If you’re working at Madison365, you better know people in the community!”
4. The newsroom serves a specific set of audiences, which has enabled them to develop an engaged and rapidly growing readership. In January, Madison365’s site had about 61,363 unique users throughout the month. In July, they were up to 251,755 unique users. On social media, they went from one million impressions per month in January to three million impressions per month as of July.

## Definitions

Before we dig in, let's take a moment to get clear on definitions and why this all matters for nonprofits in particular:

- We're focused on earned revenue. Earned revenue are funds a nonprofit organization collects by providing goods and services, like ticket sales and advertising revenue. This contrasts with the funds received from philanthropic sources, such as grants and major gifts.
- Importantly, nonprofit news organizations don't always classify earned revenue similarly. Earned revenue for Madison365 includes event sponsorship, advertising, and custom (or sponsored) content. Within Madison365, these services are grouped together into "membership" packages for clients. (Note: all of these terms may vary depending on the news organization.)
- The process of Madison365's team putting together a custom membership package for a client can be understood as "consultative selling," which is the process of leveraging relationships and open communication with clients in order to provide solutions to a client's specific needs.
- Within a 501(c)(3) nonprofit, the IRS differentiates income into two categories: business income and unrelated business income (UBI). UBI is taxable if it meets certain requirements; business income is not. For the income to count as business income, it must be in line with the nonprofit's mission and related to its exempt status.

### LAUNCH OF MADISON365

In August 2015, entrepreneur Henry Sanders Jr. and journalists Robert (“Rob”) Chappell and A. David Dahmer co-founded Madison365.

According to a feature piece by [LION Publishers](#), Henry, Rob and David founded Madison365 in response to a clear information need in their community. In late 2014, the local African-American weekly newspaper was sold to a company in Milwaukee. After the new owners laid off the editor (David), it became clear that this new entity would not focus fully on local issues. Then, in March 2015, a white police officer in Madison shot and killed Tony Robinson Jr., a Black teenager. The co-founders watched as mainstream media tried and failed to properly tell a story in their own community.

Madison365’s site launched five months later.

From early on, Henry thought about Madison365’s core value as providing stories, information and forums for communities of color. The enterprise’s secondary value would be creating a platform for businesses to authentically reach communities of color. Henry talked to attorneys and tax specialists about how they should think about structuring their approach based on these core values, and they opted to go nonprofit. Henry learned how to engage funders and donors: by emphasizing Madison365’s mission of serving communities of color in Madison and statewide. Shortly after the IRS approved its nonprofit status, Henry and the team decided to call financial support from businesses “membership” to emphasize that the business’ contributions make them a part of Madison365’s mission (and as another benefit, that would mean most of the income wouldn’t be taxable as “business income”).

**Tip: Madison365 considers a small percentage of its membership income as unrelated business income (UBI) and thus subject to tax.**

But the majority of its revenue from businesses – most of the business membership revenue and other advertising and sponsorship dollars – are treated as business income. [See more here for how to walk this line and minimize your tax liability](#). Madison365 makes clear in its policies and in conversations with clients that sponsorship dollars go directly toward supporting the organization’s mission.



In the early days, Henry handled memberships and event sponsorships and Rob handled the occasional, and smaller, one-time ad buys that came in.

In 2016, its first full-year in business, Madison365 had three local businesses sign on as members. Beyond that, they sold about five ads. In total that year, the team brought in \$50,000 in revenue from all business clients combined.

In 2017, Madison365 was able to hire its first non-founder FTE when they received a \$75,000 grant from the Joyce Foundation. The team hired one FTE reporter and used the rest of the funds for freelancers. In the following two years, the Madison365 team wanted to bring on another FTE, but didn't have the resources to pay a salary.

In 2019, Henry secured a small grant to pay for a base salary, which coincided with a surge of interest from businesses to sponsor Madison365's big annual event (which we'll discuss in detail later in this case). Henry wanted to focus more fully on the summit and pass the non-summit business relationships to someone else. In October 2019, Madison365 hired Jill Gade as director of business development to take on the sales portfolio.

By the end of 2018, Madison365 had brought in nearly \$200,000 in revenue from more than 30 businesses. By the end of 2019, it had grown to nearly \$250,000 from 40 businesses, with Henry and Jill doing most of the selling.

### **Leading mission-first**

Madison365 leads with its mission to serve communities of color first.

The public-facing mission for Madison365 is, of course, its journalism and, above all, to cover and serve people and communities of color in Madison and the state at large. Behind the scenes, however, this mission has another dimension: to foster an inclusive space for people of color to learn and practice journalism. This involves hiring and retaining talented Black people and other journalists of color. The organization's appeal to businesses hinges on this deeper mission.

Since Madison is a predominantly white city (according to U.S. Census data, it is 78% white), recruiting a diverse team of journalists and staff requires the team to be proactive throughout their recruitment and hiring processes. For starters, Rob looks outside of the J-school space to nearby community colleges for leads on employees or freelancers, and considers candidates with non-

journalism specific backgrounds (like in business or education). He also emphasized the importance of paying well, being a patient and open mentor, and knowing when his whiteness is interfering with the news sense of their Black and brown reporters.

For now, the one FTE who primarily handles business and sales, apart from Henry, is white. When they reach the point of hiring another person to amplify business and sales work, they plan on using a similarly proactive and expansive approach.

**Tip: Many of the things Rob and the team do to recruit and hire a diverse team of editorial talent can be applied to a business and sales context too.**

In particular, consider recruiting from other industries outside journalism and media. And consider recruiting people of color and then fitting the job descriptions or job responsibilities with that person in mind and based on their existing skill sets, an approach advocated by John Rice, founder of the nonprofit [Management Leadership for Tomorrow](#).

## HOW BUSINESS MEMBERSHIP WORKS

Today, the team that runs the sales arm of Madison365 is mainly a team of two: Henry, the co-founder and CEO, and Jill, the director of business development. The two communicate often on which companies they're each working with to ensure they don't cross wires. Jill handles most interactions and sales with clients and as CEO Henry handles clients where he has an existing relationship or clients that reach the "platinum" level of membership support.

Before COVID-19 hit, the executive team (including Henry, Jill, and Rob) met weekly at a coffee shop in downtown Madison to discuss their clients and updates. Jill came with sales numbers, giving Henry a quick recap on ad revenue and updates on leads or blockers leading up to their big, annual Wisconsin Leadership Summit.

Now the team communicates constantly over text messaging. They also have a weekly Zoom meeting to touch base on the summit, and an occasional all-staff meeting to notify other staff members about the summit or other business updates.

Jill and Henry work on the distinct pieces of business membership at Madison365, which include event sponsorship, display advertising, and custom content. Here's how it works:



- **Membership:** This is the umbrella term used with clients to describe the package of services provided. The term “membership” emphasizes how businesses are a part of Madison365’s mission. “Everything is a membership package,” Henry says. Although the organization also offers the below services a la carte, Henry and Jill’s mission is to create and sustain long-term business “members.”
- **Event sponsorship:** The majority of Madison365’s earned revenue comes from its annual event — the Wisconsin Leadership Summit. Last year, the event had 30 sponsors.
- **Advertising:** [See here for Madison365’s full set of advertising rates.](#) Advertising options are:
  - **Display advertising:** Madison365 offers an array of flat-rate digital advertising opportunities, from a sidebar ad for \$250 per week to an inline or banner ad priced at \$500 per week.
  - **Custom content:** Madison365 also offers sponsored content, or an article about the client’s business or event. These can either be submitted by the client (at \$500 per article) or written by Madison365’s journalists (\$750 per article). All custom content is reviewed and edited prior to being posted on the site.
  - **Newsletters:** Madison365 has three email newsletters: two daily automatic RSS emails (one of which is coronavirus-specific and the other a “headlines of the day” roundup), and one weekly Saturday morning “week in review” newsletter. Clients tend not to be as interested in newsletter ads as they are in web advertising or sponsored content, Rob says, so newsletter ads are chiefly used as value-add to an existing membership package. For example, the week a client has a banner ad on the site, the Madison365 team will automatically add the client as a sponsor to that week’s Saturday email.

**TIP: CPM (or “cost per thousand”) models are generally speaking not ideal advertising pricing structures for nonprofit newsrooms.**

Steve Shalit, business development director at NJ Spotlight, describes as follows the limitations of the CPM model for local and regional news orgs:“

1. Locals tend not to have huge traffic, so when ad buyers (most commonly ad agencies focused on direct response and other data-oriented results) seek to purchase ads on a CPM-basis they will typically ask for rates so low that the revenue payoff for the publisher can be negligible.
2. CPMs tend to greatly undervalue the impact of an ad impression. For highly specialized sites that aggregate difficult to reach audiences (like local audiences whose quality is underscored by their engagement with quality news), sustained advertising can create powerful affinity and shifts in mindset among readers. Data-oriented CPM buys often incompletely account for this effect. In short, CPM buys can leave lots--if not most--of the ad value unaccounted for.”

### Membership packages

Madison365’s membership program is simply their way of providing custom packages for business clients.

The member program is advertised on the site as a staggered program, from the first level at \$500 per year — for a week of banner or display advertising and one sponsored email — to the highest level of membership (the “founder” level) at \$10,000 per year, which comes with four weeks of banner or inline display, four weeks of sidebar display, four weeks of sponsored emails and a member spotlight story.

Jill describes the table below as her starting point with new prospects and a way to pique web visitors’ interest in working with Madison365. But the levels of membership in the table aren’t the boundaries of a sale. Instead, Jill and Madison365 engage in consultative selling with a client in order to create custom packages based on the client’s needs.

Another critical point: if a client is purchasing a la carte services at around the \$5,000 level of advertising or sponsorship, Madison365 automatically adds them to the membership program and gives them the other benefits of membership. This is a strategy to help nudge a one-off client into a larger, more recurring package, and a way to start connecting the client to Madison365’s larger mission.

## MEMBERSHIP

Membership offers a suite of benefits beyond advertising. Associate your brand closely with ours to reach communities of color with authenticity and credibility.

365 Media Member Benefits	Friend	Supporter	Investor	Benefactor	Founder
Madison365	\$500	\$1,000	\$2,500	\$5,000	\$10,000
FoxValley365	\$500	\$1,000	\$2,500	\$5,000	\$10,000
Dual Membership	\$750	\$1,500	\$3,750	\$7,500	\$15,000
Weeks of Banner or Inline Advertising	✓	✓✓	✓✓	✓✓✓	✓✓✓✓
Weeks of Sidebar Advertising on Madison365.org			✓✓	✓✓✓	✓✓✓✓
Member Listing	✓	✓	✓	✓	✓
Sponsored Emails	✓	✓	✓✓	✓✓	✓✓✓✓
Member Spotlight Story				✓	✓

As of July, Madison365 has two clients beyond the highest membership tier of \$10,000 — a global insurance company headquartered in Madison and a corporate life insurance company. And it has four or five clients that renew each year and tend to vary their level of support. Out of this set of six or seven companies, only one company is meticulous with using all of its benefits each year. The rest opt in for a service here and there, but don't typically exhaust all of their benefits before their contract is ready for renewal.

### TIP: Business members not using all of their benefits is common.

We advise placing a statute of limitations in contracts with clients, including clear language like: "benefit xyz must be used by the end of the contract period." But don't be too rigid and burn a bridge with a client who might ask to use a benefit after their contract ends – particularly if they have been or could be retained for another year! With retention and renewals, relationships and good customer service are especially critical.

## THE SALES PROCESS

(A deep dive on director on business development Jill Gade's approach to lead prospecting, consultative selling, and building relationships with clients)

Jill is calling on a list of about 170 leads right now. A major aspect of making that list is putting in the work to identify organizations and businesses that likely want to support Madison365's mission to serve communities of color.

### **TIP: Jill has a few tactics to identify prospects that will quickly embrace Madison365's mission:**

- Look at lists of sponsors that support other initiatives and publications that support communities of color.
- Research the staff lists of nonprofits and companies to identify organizations led by people of color.
- Look at the largest corporations and companies in the state to see if they've supported initiatives for communities of color, or if they seem to be trying to recruit and hire diverse employees (if, for example, a company's social media page includes Black Lives Matter posts, they may be more likely to support Madison365's work).
- Look up local colleges and high schools to make sure their diversity, equity and inclusion departments are aware of Madison365 and advertising opportunities.

Jill is a white woman and the majority of her contacts within businesses in Madison also are white. This affects how Jill prepares and conducts her meetings. Jill wants to talk to anyone who might be interested in supporting Madison365, including organizations who are not aware of Madison365 or its mission. Since Madison is primarily white (and people of color are systematically disadvantaged in acquiring positions of power across our country), a major part of Jill's work is demonstrating to primarily white business leaders why she thinks it's important to support Madison365. At the start of a meeting she will usually say, "I'm so glad to be part of this organization because I can talk to people like you about what we're doing to support the stories and voices from communities of color in Madison."

Importantly, it's Jill's job to put in this work even with companies that might not show clear, public indicators of valuing diversity. All of this, Jill notes, can get complicated.

### **TIP: Learn how to qualify your largest possible sales universe by challenging prospects to consider (and hopefully embrace) your organization's full set of values.**

This approach can also help grow your prospect universe by gaining converts to your values. As a seller, however, you also have to know when to cut your losses and put a potential prospect on a longer cultivation cycle.

She was in a room with one potential client, for example, about advertising a potential job when the prospect said they were already very diverse. Jill pointed out that the company did have people of color on staff at the lower levels of their organization, but that the leadership team members (including all of the people sitting in the room with Jill) were white. Her point was both to be honest about what diverse teams actually look like and to show that Madison365 isn't only interested in helping companies find entry-level candidates, but a diverse pool of upper-level managers and leaders, too.

Jill didn't hear back from this company. Her lesson is that some messages, unfortunately, are harder to hear than others. Jill plans on following up with the company every three months or so, and working to bring them on board if they want to align with Madison365's full set of values.

**TIP: Jill made it clear that you shouldn't be afraid to keep reaching out to potential clients even if you don't initially get a friendly reception.**

Sometimes, it can take 10 to 20 contacts before something positive happens (and that can occur over the course of weeks, months or years). When a potential client says "no," Jill will call the client's company every so often to make sure it's the same person in that position (you don't want to go too long without realizing that the person who told you to "not reach back out" has since left the organization!). Ultimately, however, how often you reach out to a client — and the method of outreach you use (email, phone, in-person visit) — should reflect the probability a potential client will sign on (based on their potential willingness to pay, the relevance and immediacy of the proposed package, and your past interactions). A CRM can greatly help with this, where you can, for example, create a series of labels around "high likelihood" or "low likelihood" that will recommend a different follow-up schedule.

### **Making a sale and maintaining relationships**

Depending on the type and tone of response she gets from a lead, Jill follows up either weekly, monthly, or every three months. Jill noted that it is very rare to get on the phone with a brand new lead who has marketing needs and wants to advertise with Madison365 immediately. These leads are more like tending a garden: planting seeds and slowly growing roots, waiting to see which ones bloom and when.

Jill's priority in the beginning stage of outreach is learning as much as she can about her individual contacts, both professionally and personally. Professionally, Jill approaches each conversation with a

business contact as an opportunity to learn about their company's goals and campaign needs. Personally, Jill wants to know a bit about her contact to start building a relationship with them, including whether they are working from home, still have a full-time job, or are taking care of kids or a family member. She wants to show that she cares and understands if the company doesn't have the budget or bandwidth to support Madison365 at this very moment, but she'll keep in touch regardless.

**TIP: The sort of individual relationship-building Jill describes must be genuine to the seller.**

Your sales professionals should not attempt to be someone they're not! Instead, be transparent and real with potential clients, meet them where they are, understand their motivations and interests, but do all of this in a way that's true to yourself.

Jill cold calls (or, more accurately, "cold visits") national and local companies alike, but notes she has more success with local ones. Pre-COVID visits looked something like this:

- Preparation and due diligence: Jill prepares a folder of information on Madison365, including a history page, a page that summarizes their a la carte services, and a brochure about the leadership summit. Jill also conducts due diligence on the potential client and company prior to the call. She'll find out where the company's office is and who the person is she'd like to meet.
- Walk in the door and leave materials: She'll walk into the organization's office and ask to see her contact. In most instances, Jill won't get an in-person meeting right then. So, she'll use the visit as a chance to drop off some of the physical materials she has prepared. She would set aside two days per week to make these visits, and would combine her cold visits with other planned meetings with clients or members in the area. She would typically meet up to five companies in a single day.
- Follow up: The following week, Jill would call and say, "Hi, it's Jill. I dropped off some information for you at the front desk. Were you able to look it over? Do you know who we are?" A lot of times, this message is left as a voicemail. Jill noted that now, post-COVID, she adds a personal element to her voicemails and phone calls to acknowledge the strangeness of working and making sales calls during a pandemic.
- Get in touch and continue the education process: If and when Jill gets in touch with someone on the line, she often finds that they've already started to educate themselves about Madison365's



mission from the materials she left behind. Sometimes they'll ask for more information. The vast majority of the time, the people who Jill reaches will respond enthusiastically to Madison365's mission of serving communities of color. If they are white, they might ask a question like, "why haven't I heard of you?" Jill will respond something like: "well, white people aren't always well connected with communities of color here in Madison."

- Follow up again: From the moment Jill makes her first connection with someone, she'll keep the person up-to-date on Madison365 in a low-touch way. Sometimes a timely opportunity emerges to reach back out. For example, when a local award is announced, Jill will reach out to the award recipient to see if they would like help amplifying their achievement. Or, whenever Madison365 publishes its annual Power Lists, Jill will notify her clients and leads.
- Stay up-to-date on local DEI initiatives: Jill stays up to date on diversity, equity and inclusion (DEI) work in local governments, organizations, and movements. Last fall, Wisconsin Gov. Tony Evers signed an executive order focused on increasing DEI in state government (the order required state agencies to develop and implement equity and inclusion action plans, and to give equity and inclusion training to all state agency employees). Jill notes that this was a turning point for her work with many companies, who wanted to quickly align with state leadership.

**TIP: Approaching "nontraditional" prospects or potential clients is key to many newsroom's earned revenue success, including leading statewide outlets like The Texas Tribune and NJ Spotlight.**

At the Texas Tribune, folks on the business team will work with government relations departments or a company's community-building arm, rather than the traditional marketing department.

### Asking for more with consultative selling

Once the Madison365 team establishes a connection with a business, they transition to focusing on learning about the client's needs.

A major strength of Madison365's sales tactics is how it creates personalized membership packages based on the individual client's needs. This approach is commonly known as consultative selling. Here's what consultative selling looks like at Madison365:

- Open a dialogue to learn about the client's goals: When Jill has a lead that's interested in advertising or sponsorship, she knows to get the client talking about their ultimate objectives instead of the tactics of simply placing ads with Madison365. Many times, a client will say something like, "I just want to run this banner ad." Jill will ask them to clarify who they are trying to reach and why. This helps Jill determine the right combination of media elements for her client's campaign.
- Come prepared with options and be ready to pivot: Consultative selling means being able to speak fluently about the range of different options you have to offer a client. Jill comes prepared with a few guesses about the approach a client might want to pursue (like a mix of ads and event sponsorships, for example), but she's ready to pivot the conversation depending on where they show interest. Jill explains this as a sort of flow chart in her head — for example, if a client has a really specific and complicated message to convey, she'll direct them to custom content as the best path forward and start re-thinking what a package centered around custom content might look like.
- Ask for more: A lot of times, if the package Jill recommends exceeds the client's initial budget, Jill will recommend her point of contact confer with their board or take the offer back to their team. More often than not, her client will come back and approve it. This type of candor with her client builds trust in the long term.

After finalizing terms, Jill's next step is drawing up a contract for the client to sign. Since each package is custom to the client's needs, Jill doesn't have a "template" contract that she uses for each sale. Instead, she creates a contract with specific references to points that she heard in conversation with her client.

A key part of Jill's work after making sales is diligently maintaining relationships with her customers. Jill uses Pipedrive as her CRM to track her clients and leads. She likes how it's inexpensive (less than \$100 per month), and allows her to simply add new leads, track interactions with leads, and then indicate when that lead has turned into a sale.

### **Executing the sale**

Once Jill finalizes the sale, she'll put a timeline on a shared, digital calendar for when the client's material should run.

Rob, one of Madison365's co-founders and now the associate publisher, has access to this calendar and is the person responsible for tracking the ad schedules and uploading ads to the website. Jill will send over any material Rob will need to upload the ad (such as the ad graphic and click-through url) about a week in advance, so he can review and make any edits before publication.

As of July, Madison365 had about 10 to 15 companies advertising on its site in the last six months (some of these companies have annual campaigns). A few other companies are working ad campaigns with Madison into grant applications, and Jill is waiting to see how those pan out.

**TIP: Apart from the technical side of tracking and maintaining relationships, Jill said a key part of keeping clients' trust is admitting when you make a mistake, such as when you mix up ad campaign content or publication times.**

Even if it is a misunderstanding that isn't "your fault," it's important to know when to fall on the sword. Her recommended language for an apology, even when a customer might have mixed up something, looks like this: "I am so sorry. I learned something today, I will be sure to clarify this in the future."

## WISCONSIN LEADERSHIP SUMMIT 2019 SPONSORS

### EVENT SPONSORSHIP



The bulk of Madison365's earned revenue comes from its annual event — the Wisconsin Leadership Summit. Over the years, Henry led the charge on building and maintaining a robust set of event sponsors. In 2018, the first year of the event, they had about 350 attendees, 15 sponsors, and brought in around \$80,000

in revenue from sponsors. Last year, the event had more than 600 attendees, 30 sponsors, and brought in \$100,000 in revenue.

Like many other news organizations in 2020, Madison365 is busy shifting its annual event to Zoom.

In addition, Madison365's mission of covering communities of color meant the newsroom had to take a major role in talking about the recent instances of police brutality and the anti-racism movement that spread across the country as a result.

So, back in May, the newsroom launched a new virtual town hall series around issues of police brutality and racism in America. As of July, Madison365 had hosted almost 10 virtual town halls and had another one scheduled. One town hall was with the family of Ahmaud Arbery, the Black man who was killed in Georgia while jogging. After a white police officer killed George Floyd in Minneapolis, the newsroom hosted another town hall with several local chiefs of police.

Although all these virtual town halls were not sponsored and were free to the public, these virtual events allowed the team to experiment with hosting conversations over video prior to their major sponsored summit in October. The initial town halls were put together so quickly, the team didn't have a chance to consider how to line up sponsors. Many of the town hall events were responses to community needs, and therefore the team decided to keep them completely free of paid sponsorship. Across the newsroom's set of town halls, Madison365 saw a total of 350,000 viewers – making the point to sponsors that the team knows how to effectively host vital, virtual conversations.

As for the large, annual summit in October, normally the in-person summit is two days long, but Madison365 decided to make its virtual summit a week-long series of virtual meetings, from October 5-9.



The team made this decision partially with sponsors in mind. Now with a five-day virtual summit, they're able to keep their overhead costs low while making it possible for a single person to attend all of the programming (this differs from the design of their in-person summit, which had multiple events going on at the same time). The design is a benefit to the public and a benefit to sponsors, who have even more chances to catch a person's eye with their logo or company message.

As of late July, Rob noted that many of the sponsors who were lined up previously for the in-person summit were fine with keeping their commitments for the virtual one, with nine sponsors officially signed on to support the virtual summit. Excitingly, they were also able to sign a deal with a new sponsor for the next two years at the highest level of financial support (\$15,000 – more than any other sponsor for past summits).

**TIP: Reach out to your sponsors and clients and fully engage them in your process of converting to virtual events or launching new virtual events, keeping in mind the “long game” approach.**

Ask them: how have their marketing budgets been affected? How have their objectives changed? Try to understand how you can continue to help them reach their intended audiences with a virtual event with a range of sponsorship or advertising options, such as a shoutout at the beginning of your event, a feature in an email newsletter leading up to the event, logo recognition, or a visual on screen. Virtual events can attract large audiences, especially in this social distancing era, and usually have high percentages of attendees-to-RSVPs among other easy-to-track-and-share metrics. Moreover, there are a lot of ways to experiment cheaply with virtual events, so there is a healthy willingness for getting creative and trying new things. That may be attractive to particular businesses who have reputations for being “first movers.”

Henry, who handles relationships with Madison365’s largest sponsors, said he isn’t having a hard time selling the virtual summit to members. He pointed to Madison365 as being one of few organizations in the midwest specifically focused on communities of color, and this summit is one of even fewer opportunities designed for people of color to gather for business development and networking. Now, with an increase of attention on recruiting and hiring a more diverse pool of employees, Henry says he’s been bolstered with both a business and moral reason to give to companies about why they should support Madison365’s forums.

The team also decided to continue to charge for their virtual summit, but to adjust ticket prices to make it cheaper for individuals to attend (they’re charging \$79 for the virtual summit whereas last year’s tickets ran \$249 for the in-person summit). As with previous years, they’re also offering discounted spots for nonprofits and students.

On August 1, the Madison365 team opened registration for the summit. The team thinks they’ll see more participants this year than ever before.

## CUSTOM CONTENT

As part of its advertising options, Madison365 also offers custom content within its membership packages with businesses or as an a la carte service. Custom content is an article that a client pays for



### Support continues for families fighting cancer

Virtual Support Through Gilda's Club Touches Lives

By Sponsored Content - Apr 22, 2020 0



It's Only 10 Minutes MADISON365'S DAILY NEWS PODCAST CLICK TO LISTEN & SUBSCRIBE

#### CORONAVIRUS UPDATES

CLICK HERE FOR THE LATEST

Special promotional content provided by Gilda's Club.

Despite everything that's happening today with the COVID-19 pandemic, Gilda's Club is continuing to actively serve people facing cancer virtually via ZOOM and has even been adding programs to meet their changing needs. With all the challenges associated with

to promote their business or event. The custom content can either be submitted by the client (at \$500 per article) or written by Madison365's journalists (\$750 per article). All custom content is reviewed and edited prior to being posted on the website.

News organizations handle sponsored or custom content very differently, especially when it comes to creating content in-house. Here's how it works at Madison365: either Rob will ghostwrite the custom content (this is typical if there's an especially quick turnaround time), or he will post the custom content on the editorial team's Trello board (where they manage and assign assignments) and ask a freelancer or journalist to cover it. To clearly mark paid posts as non-editorial content, the Madison365 team lists all bylines of custom content as "sponsored content" and lists the name of the client in bold before the text of the story.

Within any newsroom, there are ethical considerations and concerns like this one when working with businesses.

A major aspect of Madison365's success is how the team has documented and codified their newsroom's ethical guidelines. See here for the full code of ethics.

Here's some advice from the Madison365 team on how any newsroom can manage the ethical aspects of newsroom-business operations:

- Be unapologetic and up front with clients about your mission. Madison365's is to authentically serve people of color. The organization makes this clear to its business clients by reminding them of this: you might not agree with the way we cover stories, but if you want to reach people of color in a more authentic way, then we are the platform for you. Henry noted that they have lost clients who may not fully appreciate this. And they're okay with it.
- Make clear your editorial policies for sponsored or custom content. Here are Madison365's: "We accept submissions, subject to the editorial policies listed above. We reserve the right to refuse to



publish any submission, and further reserve the right to edit any submission for grammar, spelling, accuracy or any other reason, before publication.”

- Write out your terms and conditions with clients, or in Madison365’s case your members. These terms of conditions guarantee a few boundaries on how your client can claim to be associated with your newsroom’s mission and brand. [Click here to read Madison365’s terms and conditions.](#)

## CONCLUSION

Madison365 is a stunning example of success.

Its smart and savvy sales team has steadily built relationships with businesses through a consultative selling approach. It hosts one of the only events in the region designed specifically to empower communities of color. And the team leads by example, putting mission first in stories, in meetings with current and potential clients, and in the way they recruit, hire and develop Black and brown talent.

All of which has led to a business on solid financial footing, with more than half of its revenue derived from businesses.

**TIP: How can others practice what they preach around recruiting, hiring and retaining a diverse team?**

Here are Rob's tips for hiring for an open reporter or freelancer position:

- Look outside of the traditional “J-School” space. Rob looks to a nearby community college that offers a journalism certificate as a recruiting opportunity, because it has a lower cost and barrier to entry than more formal journalism school programs in the area. Looking to community colleges also opens their recruiting pool to folks with more non-traditional career paths or people making a mid-career change.
- Pay well. This allows students in the area to cover stories in addition to or instead of campus or other part-time jobs. Be an open and patient mentor. Rob said their team takes on a mindset of being open and ready to coach their freelancers and reporters. “Anybody who can string a few sentences together, I’m going to give them a try.”
- Recruit from other industries. Look at people with education or business backgrounds. Rob mentioned that their first real intern reporter had been a teacher and then pivoted careers, wrote for about a year, and then went to grad school for journalism.
- If you’re a white editor or manager, challenge your understanding of what counts as a story and learn to trust the news judgment of your Black and brown reporters. Sometimes, Rob won’t initially see the story angle brought to him by one of his reporters of color, but his reporter will say “this is a story to me, and here’s why.” Rob’s motto here is: “If I’m not sure what the story is, but you say it’s a story, then I’ll trust you and we will try it out.”
- Be a good manager and see your employee’s growth and new job prospects as a metric of success. Rob is never upset when a reporter announces they are leaving for graduate school, The Chicago Tribune, or The New York Times (which happens at Madison365). This is a sign of success. Central to their newsroom’s mission is creating the next generation of diverse reporters – therefore, someone moving on to a venerable organization is viewed as a win and a key metric to report to foundations and sponsors alike.

Thank you to the Madison365 team, particularly Jill, Rob and Henry for their time and wisdom articulating their success. If you have any questions about this case or the INN Ignite Sponsorship development program, please reach out to [news@inn.org](mailto:news@inn.org).