



Polis – Good free papers?

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 A European media group is challenging the [conventional wisdom](#) that newspapers are either suffering or dying and that free newspapers are a stop-gap gimmick.

Birger Magnus is the deputy Chief Executive of [Schibsted](#) a Scandinavian media group that has gone from being a medium player in Norway to a major European force and a Harvard Business School case study.  Apart from having Sweden's biggest tabloid *Aftonbladet* and its most visited websites, it also has the best-read newspapers in Paris and Spain. And it claims to have done all this without compromising on editorial standards and without sacking journalists.

I heard all this from Mr Magnus first-hand during a talk at the LSE so I have to take his word for it. But let's accept his claims for a second. How did they achieve all this at a time when the rest of Europe's newspapers have faced plummeting profits? Has it been a case of asset-stripping, lay-offs and a slide down-market? "Quite the opposite" says Mr Magnus.

Schibsted started by growing itself locally and regionally, taking over moribund papers and injecting capital. It took its brands online very early on and in a big way. It established a "20 Minute" format for free newspapers which are shorter than a broadsheet but no less intelligent: "free but not cheap" he calls it. This formula took Paris by storm as the more conservative business people at Le Monde reacted too late. Schibsted have tended to leave local management in place and let it get on with hiring the best editorial staff.

 At the same time they have learned from their risk-taking and mistakes. A Scandinavian version of AOL went down in flames. They also failed to buy Blocket, the Scandinavian version of E-bay when it was cheap. Their own version bombed and so Schibsted ended up paying ten times more. 5% of Swedish GDP now passes through that website so it all turned out right in the end.

 Of course, Schibsted also claim to invest in the best possible management who are all humble and open-minded. Birger Magnus certainly was. He knows that the future is uncertain. This teenage girl is what worries him. No, she's not his daughter. What worries him is that despite lots of intensive market research no-one really knows the future preferences of this generation of teenagers. Even the best prepared companies like Schibsted know that the "only constant is change."

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