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How Newsvine Fits into the New Media World

Imagine a newspaper created just for you. The topics you care about, the best articles from your favorite sources, "water cooler" conversations with other readers -- all updated automatically every few minutes. Then imagine building the service, the company and the culture with just six employees. Mike Davidson, CEO of Seattle-based Newsvine, has done just that. Funded by Second Avenue Partners, Newsvine leverages existing Internet sources, community-created content, and home-grown features to build a for-profit news service. At a recent Northwest Entrepreneur Network meeting Davidson spoke about life in the trenches of a lean, venture-backed, Web 2.0 startup.

Before co-founding Newsvine in 2005 Davidson worked in new media and product development at ESPN and the Walt Disney Internet Group. Davidson's popular design blog, Mike Industries, has been referenced by the New York Times and MSNBC. He has a business degree from the University of Washington and graduate-level advertising curriculum from Oxford University. Unlike most CEO's Davidson brings a highly tuned product perspective to his role. "I'm a product person at heart. I'm intensely interested in user experience." This has enabled Davidson to lead Newsvine down a rapid development path. However, in launching Newsvine he's confronted problems faced by entrepreneurs across all industries, from deciding to quit his day job to launching a new concept with little staff, and ultimately attempting to change human behavior.

In deciding to launch Newsvine, the first real hurdle Davidson faced was deciding if his idea was good enough to quit his day job for. Davidson says, "Most entrepreneurial ideas start off exciting

and end up decaying over a period of days or weeks as you think about the logistics of actually following through on them." Based on personal experience Davidson advises, "When you finally have the idea that gets more exciting with

Executive Insights



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time, don't waste a moment. Start making plans to see it through. The really great ideas are the ones that are both exciting on a personal level and potentially profitable from an investor standpoint."

For Davidson, the original seeds for Newsvine came after reading a paper called "Amazoning the News" written several years ago by Ellen Kampinsky, Shayne Bowman, and Chris Willis of Hypergene. It discusses how some of the participatory principles of Amazon.com could and should be applied to the online news business. Davidson says, "I was working at Disney and it was an eye-opener that got me thinking about how I could help Disney achieve this vision with some of their news properties." Like all good ideas, the concept didn't die. Over the next couple of years, Davidson and his Disney co-workers pushed various ideas from the paper into Disney-owned sites like ESPN.com. However, Davidson says, "In the end we realized that in order to really do it right and fast, we had to start our own company." The idea was for Newsvine to be a big media company with a small media feel while embracing Web 2.0 concepts.

Many would agree that Newsvine is a true Web 2.0 company, a very cache Internet term these days. However Davidson explains, "Web 2.0 is a term people like to throw around to promote their companies or to show off their knowledge of the Internet landscape, but most people grossly misunderstand what it actually means." There are many variations on the theme but according to Davidson, a correct way to describe Web 2.0 is "a service by which participation of individuals improves the experience of the aggregate and vice versa." Davidson says Amazon was Web 2.0 before the term was even coined by Tim O'Reilly as were Epinions and eBay.

According to company information, Newsvine was founded to build a perfectly different, perfectly efficient way to read, write, and interact with the news. At Newsvine this translates into an Internet-based news experience where you can read stories from established media organizations like the Associated Press as well as individual contributors from all around the world. Contribution is open to all, and editorial judgment is in the hands of the community.

As a Web 2.0 way to deliver news, Newsvine is generating a lot of buzz. By Davidson's own count he says, "I've probably read about 250 reviews of Newsvine and maybe three of them were negative." News journalism veterans have validated the concept, including Dan Gillmor, author and founder of Grass Roots Media and Richard Sambrook global news director for the BBC, who said, "Newsvine is in my view the best example of how to integrate core news (the AP newswire) with user comment, chat and observation."

So how does a group of six like-minded people successfully accomplish a daunting endeavor like getting Newsvine accepted by mainstream America and media? Creating a community of users and having a community to watch over, has been the biggest challenge that Newsvine has faced. “You can’t build a site in a vacuum and then just open the gates and say “Ok! Commence community,” says Davidson. He explains, “We invited friends, family, and colleagues into our private alpha first and that set the quality bar from the beginning. We then moved to an invite system during our beta and got more great members integrated into ecosystem. By the time we opened the gates to the public we already had hundreds of great reviews and thousands of thoughtful and considerate people tending to all areas of the site.”

That was phase one. However, looking forward the single biggest challenge for

Newsvine will be turning mainstream America and the rest of the world on to this new, interactive way of getting news. It boils down to changing behavior. Davidson says, “We’ve clearly hit the right chord with younger and tech-savvy users, but 99% of the world still gets their news from traditional sources like MSNBC, CNN, and even newspapers (gasp!).” He continues, “To cross the chasm into the mainstream, we’re going to have to continually make our service both easy to use and more functional for whatever way someone may want to use it.” Even with several hundred thousand unique visitors a month being a tremendous start, Davidson says he and the team won’t consider Newsvine successful until that number is in the tens of millions.

According to Davidson, “The most important thing you can do, long-term, for your product or service is to watch the way your customers use it.”

Davidson explains, “Your users will do things you never anticipated – good and bad – and if you don’t pay attention to how the world seems to **want** to use your product, you risk another company coming along and accommodating them.”

These “Executive Insights” are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing and public relations firm that helps emerging companies increase corporate visibility and brand awareness. Contact Cheryl at (425) 222-0779, Cheryl@IsenandCo.com or on the web at www.IsenandCo.com.