

Day 1, April 21, 2017: Morning Session – 8:45-9:30 a.m.

Keynote Speaker: Jim VandeHei, Co-Founder and CEO, **Axios**, (former Executive Editor and Co-Founder, **Politico**)

Chair: Jennifer Preston, Vice President of Journalism, **Knight Foundation**

Jim VandeHei: Thank you. Thank you Tom, for having me. Thank you all for being here. Thank you for caring about journalism. We're going to do a Q&A, but I'm just going to kick it off with, there's a famous moment in one of the vice presidential debates from some time ago, where Admiral James Stockdale said, "Who am I? Why am I here?" So, my background, for those of you, most of whom, probably don't know me, have never heard of me, was I was a journalist for most of my life. Thought I'd always just be a journalist. And I was lucky enough at a pretty young age to make it to The Wall Street Journal and The Washington Post. Got to cover the presidency political campaigns [and] congress. And I thought that's what I would do for my life.

And then 2006 rolls around, and you see these storm clouds gathering, and you can tell something profound is about to hit our industry. And since 2006, I've dedicated the rest of my life to really thinking through, how do we build durable, scalable business models to sustain great non-partisan journalism? That is my obsession. And so, we became sort of self-taught entrepreneurs, self-taught business leaders. And now, we're on our second project.

There's young people in the room, and there's a lot of people who are running existing companies in the room. To young people, I get asked all the time, especially by your parents, "Gosh, is journalism actually a good place to go given all the volatility?" And I believe this passionately—there's never been a better time for a young person to get involved in journalism than today. You can do more at an earlier age, reach more people, have more power, and have more fun and more impact than you ever could before in journalism. And in fact, I think the modern media era actually works to your favor. You've grown up with the new reality. And so, you bring expertise to the table that is absolutely essential to building new media companies.

At the same time, I can't imagine a better time to build a media company. I think it's a hard time if you're trying to change an existing media company, but in terms of building a media company, the cost of entry has never been lower. There is awesome technology that you can get relatively inexpensively to get operating very quickly. And you've got tools that are free that you can use through Facebook or Apple News or through LinkedIn to be able to reach

more people with more precision quickly. So, I think this is Nirvana in terms of creating companies.

What we're going to talk about in our Q&A a lot about is, why Axios? Why now? And what did we learn from ten years in the trenches at Politico? And I have very, very strong feelings about what works and what doesn't work. I am not a hopeless romantic. I love journalism. I'm passionate about journalism. But I'm not delusional about what works and what doesn't work. And I think one of the things I can share is, what have we learned in the trenches?

And a couple of things before we plunge into the Q&A is, one—and this goes to everybody in the room, because we have people who come from the tech side, editorial side, the business side—the hardest thing about running a media company is you have to have almost perfect synchronicity between your editorial mission, your business mission, and your tech mission. And it's no longer sufficient to just be obsessed about your own area. You better understand how the other pieces of your company are working.

What is your business strategy? If you're working at a place and just saying, "We're just going to build audience and then we'll find a business strategy," I'd get out. You have to have alignment. You have to understand who it is that you're trying to reach, how do you make money off of that, and how do you use technology to be able to reach those people with precision and with impact? And I think too many companies don't think about that synchronicity. Too often we've been thinking, *well, I'm in editorial, why would I care about those things?* I talk every week with our staff about, "You should understand this is what we do with technology. This is how it works. This is how we sell it."

The second one is, if any of you read the Jeff Bezos letter from the last couple of weeks, and he's said it in the past, but [it's] this obsession about the customer, about the reader. I believe as an industry we've made a mess of journalism because we've lost focus on what actually works for the reader. What does the reader want? What does the consumer want? They want to get smart. They want to do it fast. They want to be able to share information. They don't want to be bombarded with popup ads and weird banner ads and things that distract from the user experience. So, if you can put the focus on who your user is and try to build everything around that, I think you *can* build a really good business.

And if you haven't gone to Axios.com, please do. Call it up now. Look at it especially on your mobile. It was designed specifically for mobile, but it's based on all the data that our colleagues who joined us from The New York Times [found, and] that we found in all our research, is that people just want a really elegant way to consume information. They want it smart. They want to know why it matters. They want to be able to share it. And they want to be the person that you're writing for.

And my critique of journalism is [that] too often we write for each other or write for high fives on Twitter, as opposed to trying to think about, what does the consumer actually need? And if you can do that and if you can align your business with your tech and with your editorial, you can create great businesses.

So, I'll bring Jennifer up here, and we can do a Q&A and talk about different aspects of it. I would ask, if you've not looked at Axios, to look at it. The reason we left Politico and decided to start Axios is that I'm both like—I'm an optimist, but the thing that worries me is that we've hit a period over the last ten years where technology is changing things faster than we're capable of keeping up with. So, there should be information Nirvana. And what we're trying to do with Axios is help people. Help any smart news consumer who wants to be a knowing citizen or a knowing professional to get smarter faster on politics, technology, business, science, and media trends.

And when we talk about media trends, we're talking about, how do people consume and disseminate information? Not Katie Couric 's contract, but in those five things. Or, what's interesting to us is that all conflict, all new ideas, almost all new businesses are going to come from the collision of those topics. And if we can help people sift through all the awesome information that is out there and turn information paralysis into information Nirvana, that's a great calling, I think. And I think it could be a great business.

So, Jennifer.

[Applause.]

Q&A Session:

Jennifer Preston: Thank you. So, Jim, tell us a story. So, let's begin. 2006, you're at The Washington Post. You have a fantastic job as a reporter covering the White House.

Jim VandeHei: Yeah.

Jennifer Preston: You arrived in Washington just a few years before from Wisconsin to work on the Hill for a number of news organizations, including Roll Call, which landed you at The Washington Post. But it's 2006, and you have a great job. You're covering the White House for The Washington Post. So, what inspired you then to make the leap?

Jim VandeHei: Our creation story is actually a great story. And it's a good lesson in life that [you should] just follow your gut. From the moment that we ever had a, "Hey, we should start a company," conversation, John Harris and I, to the moment that we went live as a new website was six months.

That's how quickly it happened. And it happened because we were looking around and we were saying.... At the time, think about this, one decade ago, The Washington Post was two companies. The newspaper was in D.C. Dot-com was in Virginia. And nobody at the newspaper ever wanted to be on the web or even talk to the weird people at the web. And so, you had this weird moment where you could see the data was showing you [that] more people were reading you online than in the newspaper; yet, everyone wasn't paying attention to it.

And I remember John and I had this awesome conversation/revelation when I think Google was thinking about buying YouTube, and we're like, "Man, what if they said they wanted to own political journalism? How much would it actually cost them?" And that was the germ of what became Politico, because we said, "It wouldn't cost that much." Most journalists at the time were grossly underpaid. We had worked at the.... I'd worked at The Journal. I'd worked at The Post. I'd worked at Roll Call. He'd been at The Post for a long time.

We knew the handful of journalists who could each and every day could tell you stuff you didn't know. We said, "Let's figure out a way to get them into one place, hook them up to the web, [and] get them on cable TV," which had an insatiable appetite for political content. And we're like, "We could build a business out of that." And that was it. We didn't have a business plan. We didn't know anything about raising money. We didn't know anything about running a business at that time, but we knew that we could build an audience. And we knew if we could captivate the Washington market, policy leaders, political leaders, that we could ultimately build a business around it.

And it happened that quick. And we just.... And that's where so much of life is. You've got a good instinct, and then things just break your way. Barack Obama become president. Everyone is interested in Washington. Everyone is worried about [the] decline in newspaper, so we were kind of a good story, and we got a lot of free coverage and a great liftoff. And within three months, I think it was less than four months from our launch, we were on stage. I was on stage cohosting a presidential debate with Politico, who no one had ever heard of. And so, we were off to the races.

And over that time, and this is where I think I could be useful to you is, I basically took the journalism skills of basically understanding [and] being able to sniff out what is BS, looking at patterns, trying to figure out who actually knows what, and became a self-taught CEO. And anything I didn't know.... Like, people are awesome. Most people are generous with their time. They want to be asked advice. So whenever I didn't know anything, I'd try to figure out who's the smartest person thinking about this? I'd call them, and next thing you know, I'd have an answer. And we little by little figured out how to run a company.

And because we got the big things right, none of you know about all the things I screwed up for seven or eight years in learning how to get the big things right. But it was an amazing time. And at the time, I remember saying in 2006, 2007, 2008, "It'll never be this crazy. It'll never be this insane." It is exponentially more crazy and more insane today than it was back then. And it'll be even wackier a decade from now.

Jennifer Preston: So, let's jump ahead to now, and then we'll go back. Because it is a pretty interesting time in Washington, D.C. right now. So, tell us a little bit about that. How does the...? How has the news...? How has the new administration changed the way that you do business at Axios, or not?

Jim VandeHei: Well, Axios, our mission is to.... And if you look at the way we've allocated our resources, like, as of yesterday, we hired our 71st person. I think we will have 100 by the end of the year. I feel like as a company we're really starting to cook with grease. And, but the purpose is to do politics, and business, and technology, and media trends, and science. And where Donald Trump changed things is, like, he's the biggest story in science, in technology, in business, in the world, in politics. So for the first, like, 90 days, he's just sucked up so much of the oxygen, so it makes it sometimes harder day to day to get people to pay attention to those other topics.

The flipside of that is, is that Donald Trump has gotten many, many, many millions more people here and worldwide interested in U.S. politics [and] interested in news. I think people now are starting to take news more seriously. You see it in the subscription rates at The Times or The Washington Post. We all see it in traffic to our site. So, it's no doubt it's been a big boost.

And then, we actually had to move up our launch date by two days, because about 60 hours before Donald Trump took the presidency, we got an interview. And so, we're like, "Let's move it up and let's launch that day." And the beauty of technology and being a startup and being able to decide what you want to do [and] when you want to do it, we just moved it up and launched.

And it was a trip to interview him. I've interviewed other presidents. He's different than other presidents, that's for sure. I would say—we were talking about this off stage—one of the interesting things about the Trump White House is they are exponentially more transparent, by many fold, than the Barack Obama White House, the George Bush White House, the Bill Clinton White House. Like, they all talk. It's in real time. [laughter]

It's like one of the things that has benefitted us. It's like a rolling drama that you can get like amazing insight into on an hourly unfolding basis, which as a journalist, it's super cool, because you feel you have the visibility you always dreamed of. Sometimes at night it's a little like, woo, it's a lot. [laughs] It's a

lot to take in and to sort of see the chaos around him, but it's just an interesting time in media.

And the good thing about this last election is I do think people are taking what we do serious. Like, everyone's all, "Fake news. Fake news." I'm worried about the fact that people don't believe real news. Like, this is real stuff. Like, I feel like our country, our world are more fragile than ever before. And what I hope is that we can utilize Facebook and Google and Apple News and our own platforms and newsletters to help people get smarter about topics, because I do think that information is just going to be.... You ever thought, *oh, there's income inequality?* I worry a lot more about information inequality. I think we're going to have those of us in the room that are just like, shhrrr, almost like superheroes in terms of the amount of knowledge that we have, and then a lot of people that are just oblivious. And as those things get interconnected, it just puts people at a disadvantage. So, I hope that all of us can just help people get smarter. That we can regain the trust of people. That we can get them to believe that news is news, information is information, and not every single fact is debatable.

Jennifer Preston: So, when you look at the lessons that you've learned creating and developing and nurturing Politico and the lessons that you brought to Axios, to the launch, clearly, you are targeting an audience that wants to be informed.

Jim VandeHei: Correct.

Jennifer Preston: That believes in news. What, from the lessons of Politico and what you've learned from Axios, might help news organizations across the country trying to serve a regional and local audience build that trust? Built that ability to reach?

Jim VandeHei: Right. Yeah, I mean, it goes to a little bit of what I talked about. Know with precision who your audience is. Like at Politico, we used to tell reporters, "Tape a picture of Nancy Pelosi and the White House Chief of Staff at your desk." That's who you're writing for. And like now with Axios, we're going to what we call the serious news consumer, which we think is about 20% of the population that on a day-to-day basis is seeking out and consuming serious news. And so, everything is in that box. Like, we're not in it for cheap clicks. We don't have to because of our business model.

We're not in it to be deceptive about the headline that you read. We're in it to serve that reader. How do you serve that reader? You look at the data. You look at the data. The data shows that most people want almost all of their stories exponentially shorter. They want to know, why does this matter? And then they want to know, if you're going to write something that's 2,000 words or 3,000 words, quite duping me! Give me a story that's worth 2-or-3,000 words. That is my indictment of myself as a journalist. It's [my

indictment] of my fellow journalists. It's that we keep writing for each other. Why write 1,200 words? "Because that's what I do." You shouldn't have written any words. It wasn't even interesting, or maybe it's worth 100 words, or maybe you should have spent all of that time on 2,000 words that really would have told someone something they didn't know and something that mattered.

So, just figure out who your audience is and obsess about that audience. Then take advantage of all of the tools that are out there to find that audience. There's amazing—and a lot of this stuff is free—there's amazing tools you can use through Facebook or through Apple or through LinkedIn or through newsletters or through buying lists. You can combine that technology to go and locate audiences with a lot more precision. And that's true, by the way, whether you're a local news source or whether you're an international news source. You just have to figure out who is that audience and serve them.

But then also realize that your consumer is not just that reader. It's your advertiser. If you go on Axios.com, especially on the mobile site, you'll see, you're never going to find a banner ad. You're never going to find a popup ad. We're never going to do really long-form data advertising, where you have to arbitrage traffic on Facebook to make believe that you're driving a lot of traffic to it. All you're going to find is native advertising that fits into our stream that's clearly marked that is a pleasant experience for the consumer and actually allows the advertiser to get real value.

And I actually care about the advertiser. I do! I'm trying to build a business. I want anyone, as a reader, I want you to say, "God, they didn't waste my time. They produced something that was awesome." And I want as an advertiser [for them] to come say, "Man, this thing actually works! And they didn't waste my time. And they're respectful of the fact that we're spending a lot of money to reach their audience." When you do those things, I do think you can build a business.

And I keep saying *business*, because I think for so long our industry operated kind of like a not-for-profit mentality. Like, you're a business! You're trying to make money. You're trying to grow. You're trying to be sustainable. So, make sure that you have a culture that works. Like, you can't—we're not going to be able to hide things in the new world order. You're not going to be able to [say], "Well, we just have 1,200 people, so we'll figure out a way to muscle our way through it."

We're all going to be lean, mean, technology-driven machines. We're just going to be smaller, and we're going to be more agile, and we're going to have to just be more aware. And once you start to think of yourself as a company, you start to think, *what do great companies do?* They think a lot about culture. They think a lot about talent. They think a lot about talent

retention. They think a lot about getting their employees to feel like they're part of something that's bigger than themselves.

And when you can do those things.... I used to.... And as a journalist, I'm a pretty cynical guy sometimes. And I was so cynical when we started Politico about, like, culture and all these manifestos. And now I'm obsessed with them. And I see it. I see how people light up when they know what you stand for, what you expect, what you believe in, and how you're going to perform as a company. So, thinking about yourself both as a journalistic institution but also as a company is really important.

Jennifer Preston: So, going back to Politico's early days, 2007, Facebook was not the platform that most publishers were on looking to find, build, and engage in an audience, and Twitter was just starting. How did you, in those early days, find and build an audience?

Jim VandeHei: You know, it's funny, we're using a very similar approach now. Most people look for, "I want a huge audience." I always look for, like, we call it radiate. I want the people who matter most in the areas that I go after hooked first and then the people around them next. And then ultimately, work your way out to a much bigger audience.

So at Politico, when we initially launched, like I said, we were very worried about, "I need members of Congress. I need members of the White House. I need political professionals to be addicted to the content." Because our theory was, if you could do that, then anybody out here who cared about politics would know that we had expertise and insight that was valuable to them, and we'd eventually get them. So in the early days, we were focused on the newspaper and a website. Not that much traffic. Not that big a circulation. You know, by the time you leave, there's sometimes 10-20-million monthly uniques of people coming consuming massive amounts of information. And going through that process, you just have to—you just have to keep learning. Like, it is.... There's nothing static.

When we designed Axios, I've only twice to this day looked at it on a desktop. In the design process, I never looked at it on anything other than an iPhone. Because 80% of our traffic is mobile. Ultimately, it will be 90%. And that's where the future is. And then, we think a lot about, how can we make that content flow seamlessly, both the content and the ad, into the Apple News architecture and then ultimately into the Facebook architecture? And then, how do we do each one of those not in a way that just benefits the social platform, but benefits us? And you have to think about that.

And that's another point I would make. Like, when you're.... You have to pick and choose. Like, everybody [says], "I want to do a podcast. I'm going to do some video. I'm going to blast out. I'm going to do some—I'm going to do some cheap tricks for clicks," or whatever it is. Pick what you're going to do, and before you do it, like, look at the numbers. Is this real or is it a mirage?

When people... I used to always joke about Facebook, like, "We've got all of this reach." Well, what does that mean? Like, is that resulting in people coming to your content and then you monetizing it? Or, does that mean that Facebook is benefitting from you having a lot of content in their platform and they're monetizing it? Just make sure you really think with clear eyes what's working and then look at the metrics. Is it actually working? I think too many people in our industry chase mirages.

Jennifer Preston: So, what is working? So, you're putting focus and effort on Apple News? On Facebook? Are you using instant articles? Most recently we've heard from many large publishers saying that they're going to abandon instant articles. They're not getting the return that they had hoped. And Facebook has embraced a listening tour. And Facebook is reaching out to publishers looking to learn more how to better serve them and the information ecosystem. So, you mentioned both Apple News and Facebook.

Jim VandeHei: Yeah.

Jennifer Preston: How are they working for your business?

Jim VandeHei: I mean, what works? We're 90 days in, and we're already getting millions of people per month that are coming to the site. We're getting awesome engagement. And because we have a lot of newsletters, we basically said, "What is the cleanest, most elegant way to distribute a newsletter?" So if you looked at any of our newsletters, you might get Mike Allen's AM, but we have one's for tech. We have ones for energy. We have a bunch of them. Our click-thru rate, because we focus so much on the architecture of them, is consistently about 50%, which is pretty high in the email space. So, that's working. The site's working.

I would say the biggest surprise [is] that Facebook has been great to deal with. They've been terrific partners. Certainly since the election, there's been a lot of momentum inside Facebook to work with select publishers. They've been a delight to work with. Extremely responsive.

Everything I say, you can't just assume applies to your company, because you have to figure out what works for you. The way that we don't do instant articles. We use Facebook to try to find those very specific type of hyper-news consumers and use them to drive traffic into the Axios stream, so that's the way we utilize it, and that's been effective.

I'd say the biggest surprise, most pleasant surprise, [is] Apple News drives a hell of a lot of traffic. And they have been a fantastic partner. We do a feature for them, "Five things you should know about Trump in the world." Today, we'll often get a million people in a day that will take a look at that, and that's an astonishing audience. I think we get more traffic than we do from Facebook. That's a big change from two or three years ago in the marketplace. So, that's working.

As you might expect, we do well on Twitter. It's kind of our base. We do do a lot of politics, and that's a political-heavy social platform, so we do very well on there. And we're now starting to play with LinkedIn, which is, I think, a very good platform for very specific types of content, business content, technology content, not that great for political content.

So, it's fun! That's the part that you've got to—got to—got to enjoy the change. Like if you're scared by the change, unnerved by the change, resenting the change, I'd get a different career. But if you like the change, it's a hell of a lot of fun! And all the change you just when through—I don't mean to scare you—it's going to get a hell of a lot worse! You're now going to see happen to TV and cable TV what happened to newspapers. And then you're going to see the introduction of whatever, whether it's augmented reality or virtually reality, folded into the reading, listening, viewing experience for consumers. So, there's going to be radical change at a velocity none of us are probably capable of trying keeping up with that creates both volatility—but volatility creates tremendous amount of opportunity. So, you have to—you have to love this stuff, because you have to be a student of this stuff to be able to take advantage of these changes.

Jennifer Preston: Well, like many people here, I just got back from the Facebook—from F8, the Facebook Developers Conference, and there was a lot of discussion about augmented reality and how we might be looking through glasses at all of the data that we're now looking at on our phones. So, very interested in seeing and hearing how you're following the puck in that direction.

But first, let's talk about Snapchat. So, so many young people are using Snapchat. You guys did a really interesting project, We the People, with now this and Snapchat, just using social video in an interesting way. We keep on hearing video, video, video, but you guys are about words. So, is there an opportunity for you now at Snapchat? How did you think about that? How do you think about video and images?

Jim VandeHei: Well, the We the People experiment.... So, I had a period between when I left Politico and then we had to raise money and started Axios, and we did a fascinating, like, awesome tour of the world. Like, I know what I know, and I know what I don't know. And I knew I didn't know enough about Facebook, about Apple, about Snapchat, about short-form video. One of our investors ended up being Kenny Lear, who had done BuzzFeed, done Huffington Post, really smart about short-form video. We actually went to him for advice on that front, and then he ended up becoming our lead investor, and really opened my eyes through an experiment called We the People that we did, where we basically took NowThis News, which is probably the best platform out there for getting people to pay attention to video on Facebook, so [we] took their skillset, married it with our expertise in politics and created We the People, which

narrated the campaign, basically for people under the age of 35 who would care about the campaign, without dumbing it down. That is the thing for me. Like, we're not playing the game. So, we didn't dumb it down, but we used short-form, readable, sort of slide-and-glide interaction with the content.

And it was amazing. There's days where a million people were looking at that. And it showed—it opened my eyes to two things. One, just because you assume like everyone is on Snapchat just using it as a messaging device, there's a big audience of people who do care. And if you can reach them without dumbing it down, in their voice, on their platform, you can get them to pay attention. So, it was an awesome experiment. And a lot of that informed stuff that we're doing on Axios.

The project was always designed to end at the inauguration. It did. I would love to get Axios on the discovery platform. Snapchat can be a little bit more difficult to deal with in terms of creating an incentive for the publisher, or you can actually monetize it, and we just don't do much where we don't have a clear path to monetization. But I will say for those of you who have not looked at discovery platform, I think it's one of the best content management systems in the world right now. It definitely had its flaws, but it is a beautiful, beautiful way to consume news and information, even if a lot of the content, to me, is not something I would love to look at.

Jennifer Preston: I would love to open it up for questions. As we get the mic around the room, I guess one thing that I'd...

Rosental Alves: The mic's are on.

Jennifer Preston: Oh, okay. So, if people can please come to the microphones which we have one here and we have one here. So, one of the great things right now is that we get to consume all of this very valuable and important news and information for free, but that's not your business model. So, tell us about your business model. I read that you're considering subscriptions up to \$10,000 annually. So, if you could tell us a little bit about that.

Jim VandeHei: Well, everything that you see on Axios now will forever be free. I'm a big believer that you need to have a very muscular public presence to be a powerful media and journalistic institution. And so, I'm a big believer that once you move to subscriptions, at least for us, it should be additive. I don't think... I don't see many examples of consumer-based subscription products working outside The New York Times and Wall Street Journal and the FT; basically, things that often can be written off as a business expense.

What I like, when I think about a media business, is, again, about the business. It's you want multiple revenue streams in an ideal situation. And So, we're lucky that we're able to generate a lot of ad revenue on the site

and through newsletters. We do a fair number of events, so again, I don't think the fundamentals of the business have changed that much. And then we'll spend the year building the audience, hopefully building trust, getting people addicted to the way we deliver content and hopefully trusting it in a way that they'll want to come back each and every day. And then, we are in the field right now researching different high-end subscription products. So, I have no idea what the price point will ultimately be. But what we did at Politico five years in is, we did essentially a professional version of Politico for people who do this obsessively on the professional side. It turned out to be a great scalable business. And I'd like to do that here as well. Because then it gives me, as someone who's helping run the company, the confidence that, you know, sometimes ads are like stocks. They can go up and down based on the economy; whereas, if you can get the subscription part right, it's your annuity. You've got a reliable. Once you get them in, as long as you keep delivering the goods, you're going to keep them with you. So long term, Axios in full will have both of those, but for this year, the good news is that we're getting a lot more traffic and exponentially more advertising interest than we dreamed possible. So, I think we're going to have a longer period of time to keep experimenting.

Jennifer Preston: Donald Trump?

Jim VandeHei: Donald Trump, I just think that—I think that advertisers have really responded to our native advertising. I would go on mobile, if I were you, and look at the way we do native advertising, and I will bet that that will be the way everybody is doing native advertising in the next couple of years, because it's easy to change on the go. It's very measurable, and it allows for people, I think, to get the type of results that they're trying to get with advertising. And again, I think you have to think about both ends of it.

Jennifer Preston: So, let's start here. And if you could, please tell us your name and where you're from.

David Scott: David Scott. Now from Toronto, Canada at Gazebo^[?]. Just a couple in-the-weed questions, and I apologize for them. One, on the product side, when you were building the product, the insourcing versus outsourcing, what kind of decisions strategically did you make about what you should own, data, everything else, versus what was okay to be done by a third party? And then the second question is, when you start up, the cost of acquisition is always something that you think about and acquiring subscribers or readers, what/how are you keeping that ratio in mind? How are you thinking about what you're doing to get that cost of acquisition in a good place?

Jim VandeHei: Make sure I get to the second one, because I'm going to talk a little about it. So, but design. So, if Axios is ultimately as successful as we think it's going to be, it is not because of Jim and Mike and Roy. It is because we met Alexis Lloyd and Matt Boggie, who are at the New York

Times Lab. They had spent their careers studying at The New York Times, what's next? They had come to the exact same conclusion that we did, but came at it from a data standpoint. That basically people want things shorter, they want it sharable, they want it cleaner, and that if you develop that in a mobile setting, that you could engage an audience quickly. And they were right. And so they deserve as much, if not more, credit than we do. We might have had an idea, but absent that synchronicity, it doesn't work. And if we would have spent the first six months arguing with our tech team about, "No, this is the right thing to do," or even.... Like, I know kind of like what I want, but I have a hard time sometimes talking to technologists in a way that resonates with them. Like, there was never.... They could finish our sentences. So, that was like the beautiful synchronicity, I think, is the reason that we've had a quick start.

In terms of the startup on the technology, we built our platform on Rebel Mouse, which is one of the off-the shelf content management systems that is probably exponentially better --

Jennifer Preston: Really? Really? Wow!

Jim VandeHei: -- than anything that most companies build themselves. And it allowed us to keep our tech costs a little bit lower on the upfront and be able to have a great content management system short, and now we're building all of our intellectual property on top of that. So, it's in the weeds, but there is—that's my point to like a publisher. It's like media, it looks like they're going in a weird direction now, but they had, like in terms of a content management system, it's a pretty good content management system. Probably better than most medium-sized media companies have. And so that or Rebel Mouse or now The Post and others are allowing people to utilize their content management systems. I mean, listen, Jeff Bezos threw 300-plus technologists at a content management system. I assume it's pretty damn good. And so that is one way to cut down your costs on the upfront.

Audience acquisition. Like there's so many roles now when you're starting a media company that you wouldn't—you'd go, "What the hell?" if you were talking about that five years ago. But you do have to think about audience acquisition. And we've hired people. So, we've basically.... One of the other smart things that the team did is, we basically went to people who had experience doing that and empowered them. So, we basically went to this group of people who worked at the Independent Journalism Review, so sort of a conservative site, but they had generated a lot of traffic quickly. And we basically went to them and our pitch was, "Listen, you have a superpower. You're able to get a lot of people to pay attention to content. Right now, I would argue you're not using it for a great, great cause. I would use it, if I were you, to try to get really smart people to engage in content even if it's a smaller audience than you're reaching now." They came in, and they've taught us how to do audience acquisition.

We really try to do the bulk of our audience acquisition organically. Because if you get it organically, you're much more likely to get a higher return rate on them coming to your site or a higher click-thru rate on your newsletter. We do supplement that with a lot of targeting—basically matching lists with Facebook audience or Twitter audience. People who should be consumers of our content who aren't. And we use that to try to put ads in front of them to pull them in. What we don't want to do, and one of the things I would urge you not to do, don't just—just like getting a bunch of fans on Facebook, it doesn't help you and it doesn't help the algorithm. You need to make sure you get people who are engaged in your content. And that's trench warfare. It's, you better have a team dedicated to it, and each and every day, wake up and understand that people have a million choices. And if you want them on your content, you've got to get it to them, and you've got to get it to them in a way that they appreciate and they become addicted to; otherwise, they'll leave you.

David Scott: Thank you.

Jennifer Preston: So, here's a question here.

David Simon: Hi. I'm David Simon. I'm...[inaudible]...based in New York. I actually had the pleasure of talking to Alexis and Matt recently.

Jim VandeHei: Oh, great.

David Simon: Since you name dropped them, I already Snapchat the email when you did that. My question is, you mentioned a lot about how you're looking at data to sort of direct your company's outlook and mission. How are you looking at sort of qualitative personal data? Like, asking users what they need, what they want, with information you can provide to them and then delivering that, or some sort of user-centric version.

Jim VandeHei: It's a mix. One of the coolest things that's happened in the last month is we sent out reader survey—an extensive reader survey. "What do you like? What do you wish you had more of? What are we bad at?" 10,000 people filled it out.

Jennifer Preston: That's amazing.

Jim VandeHei: 4,000 people volunteered to do it on a regular basis for us. It's like, people, once they like you, they feel really engaged with it. So it is a.... You want to look at the data. You want to listen to your users. But I'm also like—I'm definitely in the camp of, once you've made a lot of decisions, once you've looked at a lot of data, you've got to go with your gut. Like, information paralysis can hit you easily at a company. You've got to, if you understand your consumer and you're listening to them.... So, most of our decisions are made from—I'm just listening. I'm so interested in news [and] I'm so interested in media that I'm constantly in conversation with people.

And they don't really know what they want. They might have a feeling for what they want, but you have to listen and you can often hear what they want. And then just go with your gut and do it. And then if it doesn't work, stop doing it. Like, we really try to create a culture, where, like, listen, screw up and then just self-correct, but just don't screw up too much. [laughter] But screw up and self-correct, but you're better off.

I'm telling you, like, the biggest mistake people make in business is over thinking things. Things are changing so fast. You spend six months on a decision. By the time you make your decision, the world has changed and you're going to have to remake your decision. Just make decisions. Understand your audience. Look at the data to make sure that you're sort of at least in the same field as they are. And then look for results. And so we pay a lot of attention to open rates, and how many people are coming back, and how many screens do they look at when they hit our site. So we make sure that we're getting that type of feedback. And then listing the full company in that process. That is both the joy and the complexity of media companies.

It is, you've got to figure out how to get everybody thinking about those things. Because if you get one piece wrong, your media company probably doesn't work. So, [it's] just figuring out ways to integrate all those people at the ground floor. The good news is, like, a lot of people coming out of college have a lot of these skillsets. You're used to doing a lot of this stuff. And so it doesn't necessarily have to be a massive cost driver.

Jennifer Preston: So, trust is such an important concern right now as we think about the role of journalism and democracy. Take The Washington Post. Much different news organization today than it was when you left in 2006. So, what is The Washington Post doing right? What are some other news organizations doing right? What do they *have* to do right to build that trust with the people?

Jim VandeHei: It doesn't change. What you have to do is do really good journalism that holds people accountable or illuminates new ideas that people should be aware of. And so, like what Jeff Bezos did to The Washington Post—not just the infusion of cash, but there's a new spring in the step. And you can often tell if a media company is having fun and is rocking and rolling by the content. You can just feel it. You can feel it. You can see at The Post, like, there's a new swagger about them. And they're doing great journalism. And it's built on really strong technology. So The Post today, I think, is in an exponentially better position than it was five years ago. I could argue—I will argue that at \$250-million Jeff Bezos got a steal. And at the time, people thought that might be an insane price to pay for The Washington Post. But if you look at properties that sold after that, it was a hell of a good deal. I think there's a lot of great journalism, obviously, at The New York Times, I think, BuzzFeed, Politico, us, I mean, Vox. There's lots of places that are producing really good journalism.

And the trick is.... The thing I don't like, and I've ranted about this a bit is that Twitter has not been great for journalists. It's probably a good device to be able to be in touch with more people. But the number of journalists popping off in very partisan ways, in a way that I think undercuts their journalistic credibility, is eye-popping to me. And it's certainly true at The New York Times. It's true at other place. And I think, listen, we all have to do everything we can in our power to just deliver facts, help inform people, not tilt the scale, and regain that trust. One of the reasons we went with Axios as a name is it means *worthy*. And like, we really do want our content to be worthy. We want to live up to the ambition of that word. And I think that as long as.... Most journalists do the right thing. They're trying to report. They're trying to be smart. They're trying to look at both sides. Like, I've never bought into the, like, "Everyone's liberal! Everyone is just slanting it against Republicans." That's not true, but there are things that people are saying on Twitter, on TV, that allow people who want to be critical of us to have evidence that, in fact, their instincts may have been correct.

It's like all of us just need to keep doing that. And never before has what we do been more important. Like, there's nothing. I don't care, we can argue all day about this populous surge that we're seeing here, seeing in Britain, seeing in France, seeing in Germany, whether it's a short-term thing or a long-term thin. All I know is that if we're 4G now, 5G, 10G, given the trajectory of life, it's everybody is going to be more hyper-interconnected than anyone could ever fathom. And that means we have to be smarter about what's happening here, what's happening around the world. So what we do is way more important than I think it's ever been before. And I think that post-Trump, people are seeing that, and I think more and more people are engaged. So, let's just live up to it.

Preston: Thank you so very much.

[Applause.]