

Why Newspapers Don't Cover Innovative Startups

– And How They Could Contribute to Medici Effects

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The purpose of this paper is to study how daily newspapers cover innovative startups and analyze why not more is written about these new companies. Is there anything in the rules deciding “what’s news”, that could explain why innovative startups don’t make it into the newspapers? Finally I will make some suggestions on how newspapers could extend their coverage of innovative startups, i.e. doing innovation journalism¹.

1 Introduction

The last few years, I've been thinking a lot about why daily newspapers don't cover innovative startups more often. These companies are often dealing with cutting-edge technologies and some of them could actually contribute to important changes in the way we work, live or do business.

The most common arguments for not writing about innovative startups are that they are too small, there are too many of them and that they are not listed and therefore don't interest the readership.

A meeting with Frans Johansson, the author of the best-selling innovation management book *The Medici Effect – Breakthrough Insights at the Intersection of Ideas, Concepts and Cultures*², helped me find the arguments for why daily papers, rather than specialized magazines, should cover this area in a much more extensive way than today.

For the last 6-7 years I've been writing about innovative startups within ICT and biotech, reporting about their developments to the subscribers of Rapidus news agency, of which I am editor-in-chief and co-founder. Rapidus' focus is on non-listed, small companies.

We mix technology and business stories from different sectors of the industry, and also combine business and technology perspectives in the same story. The idea is that companies and their managers need information about what's going on in their neighborhood, even if it's about companies in other sectors. We also turned the

¹ Nordfors, David, 2003. “The Concept of Innovation Journalism and a Programme for Developing it”, *VINNOVA Information* VI 2003:5. Also published in *Innovation Journalism*, Vol. 1 No. 1, May 2004. <http://www.innovationjournalism.org/archive/INJO-1-1.pdf>

² Johansson, Frans, 2004. *The Medici Effect – Breakthrough Insights at the Intersection of Ideas, Concepts & Cultures*. Boston: Harvard Business School Press.

normal rule about “what’s news” upside-down, writing mostly about small companies in early stages, long before they do their IPO.

The interest for our news service was high from the very beginning. Many business executives are subscribing to our newsletter as a kind of B2B service, but also almost every important newsroom in Sweden reads Rapidus. Not only business and technology magazines, but also the business sections of many major daily newspapers subscribe and often cite our news – even though they normally don’t write much about small companies.

2 Definitions

The following expressions are used in this paper.

Innovation. Often used in Sweden as just another word for inventions or ideas. Here I refer to the more relevant interpretation: The introduction of an invention as a product or service on the market³

Innovation journalism. The concept of journalism covering innovation, in this paper referring mainly to the combination of business and technology journalism. In some aspects, journalism covering political issues could also be part of the mixture.

Innovative. Has to do with inventions or new ideas. Se also *innovative startups*.

Innovative startups. Small or new companies based on an invention or a new idea. Se also *startups* below.

IPO. Initial Public Offering, the listing of a company on the stock market.

Startups. An often used word with many interpretations. In this paper referred to as a small or young company.

3 Theories

3.1 Why Innovation journalism?

In his book on innovation management, *The Medici Effect*, Frans Johansson writes about how groundbreaking innovations are created. He points out the difference between directional ideas, which are just another step in the evolution of existing

³ Nordfors, David – Kreiss, Daniel – Sandred, Jan, 2005. "Introducing an Innovation Journalism Index: Benchmarking the Swedish Market", *The Second Conference on Innovation Journalism: Conference papers*, p. 71. <http://www.innovationjournalism.org/archive/INJO2-5.pdf>

innovations, and what he calls intersectional ideas, that could lead to the more groundbreaking kind of innovations.

In the introduction of the book he explains the concept of Intersections:

“It is a place where different cultures, domains, and disciplines stream together toward a single point. They connect, allowing for established concepts to clash and combine, ultimately forming a multitude of new, groundbreaking ideas. This place, where the different fields meet, is what I call the Intersection. And the explosion of remarkable innovations that you find there is what I call the Medici Effect.”⁴

These Intersections and Medici Effects do not only concern experts, top-level researchers and business professionals. Anyone placing herself in an Intersection could contribute to Medici Effects.

We, too, can create the Medici Effect. We can ignite this explosion of extraordinary ideas and take advantage of it as individuals, as teams, and as organizations. We can do it by bringing together different disciplines and cultures and searching for the places where they connect.”⁵

In his book, Frans Johansson argues that intersectional ideas, leaping in new directions, can only be achieved through the combination of concepts between multiple fields. Operating within one field only, you primarily generate ideas that evolve along an already set direction.

In my interpretation of the Medici Effect, media also plays the role of an Intersection where ideas, cultures and disciplines meet and could lead to new groundbreaking ideas and innovations.

Applied on media, this would mean that specialized magazines tend to be more into the directional ideas, whereas broader papers could play the role of Intersections leading to intersectional ideas and Medici Effects.

During an interview for this paper⁶ Frans Johansson said that media could play a crucial role in the system. He describes it as a “hen-and-egg-problem”. If media would write more about innovation and startups and if people actually would like to read about it, then it could have a major impact driving innovation and growth. “It could make all the difference,” he said, “but it depends on how the stories are told”. The problem isn’t new to him. As a student at Brown University, he started an interdisciplinary science magazine called The Catalyst at campus, aiming to

⁴ Johansson, Frans, 2004. *The Medici Effect – Breakthrough Insights at the Intersection of Ideas, Concepts & Cultures*. Boston: Harvard Business School Press. Page 2.

⁵ Johansson, Frans, a.a. Page 3.

⁶ Interview with Frans Johansson in Stockholm, March 12 2006.

bridge the gap between researchers from different fields as well as explaining to the outside world what the scientists were working on. The magazine still exists and is published twice a year.

In the paper *Introducing an Innovation Journalism Index*⁷ Nordfors, Kreiss and Sandred give a democratic argument for extended innovation journalism. They mean that covering politics and innovation should be connected, since politicians are responsible for the education system, industry regulations and taxation in order to help the industry develop and the society to prosper. The industry, in turn, depends on the innovation system and has a strong interest in lobbying politicians.

“If there is not good information about how the innovation economy hangs together or the opportunities for and threats to businesses, then people make less informed decisions when they elect the politicians who will regulate these issues. It is also not good for the share-holders and employees of the innovation economy, who might be interested in voting based on their personal interest.”

To provide the audience with answers to important questions about growth or the outlook for certain companies, it's necessary to mix business, technology and politics in the reporting.

“Innovation Journalism is about asking these questions with the goal of circulating economic knowledge and opening widespread debate about the factors of growth to society. Innovation Journalism focuses on the process of technological innovation, covering all the technical, business, legal and political aspects of innovations and innovation systems.”

These arguments could also be used to emphasize that innovation journalism should not be left to specialized magazines alone. The very idea of innovation journalism is to reach out to a broader audience than just people in tech or business. This could be done through broader media such as daily newspapers, TV and radio.

3.2 What's news?

The easiest way to explain what makes it into the paper would be to say that news is something new, but that's far from the whole truth. Some “news” is not even new; they are just recycled.

⁷ Nordfors, David – Kreiss, Daniel – Sandred, Jan, 2005. “Introducing an Innovation Journalism Index: Benchmarking the Swedish Market”, *The Second Conference on Innovation Journalism: Conference papers*, p. 74-75. <http://www.innovationjournalism.org/archive/INJO2-5.pdf>

What's news also differs between newsrooms and countries. In the book *Massmedier: Press, Radio & TV i förvandling*⁸ (Mass media: Press, Radio and TV in transformation) the authors give some examples of newsroom rules.

The first and most basic explanation, provided by the American journalist Walter Lippmann in 1924, is that news should create a reaction in the audience and that they could connect to the story.

The Norwegian researchers Einar Østgaard and Johan Galtung extended this explanation in the 60s, saying that the story should be clear and unambiguous to pass through the news filter. It should also correspond to the expectations of the newsroom gate-keepers. The authors also point to the time factor as important; new and late news easier make its way into the paper. The same goes for stories that are exclusive.

The communication researcher Henk Prakke talks about closeness – the closer a story is in time, space and culture; the more likely it is to become a news article in a newspaper.

Media researcher Håkan Hvitfelt sums up ten general news principles. According to Hvitfelt⁹, a story has the largest chance to end up on the front page if it deals with...

1. ...politics, economy and crime or accidents and...
2. ...if there's a short geographical or cultural distance to...
3. ...occurrences and conditions which...
4. ...are sensational and surprising,...
5. ...deal with certain elite persons and...
6. ...are described in an easy way but...
7. ...are important and relevant,
8. ...take place during a short period of time, but as part of a bigger theme,
9. ...have negative elements...
10. ...and have elite persons as sources.

⁸ Hadenius, Stig – Weibull, Lennart, 1999. Seventh edition. *Massmedier: Press, Radio & TV i förvandling*. Stockholm: Albert Bonniers Förlag. Pages 340-44.

⁹ Translation by the author of this paper.

4 Methods and Material

I have read the business sections¹⁰ of the major daily newspapers in three high tech regions during February 2006, to study how often they write about innovative startups. The newspapers in the study are:

Berlingske Tidende, the largest daily newspaper in Copenhagen, the capital of Denmark. It has a total circulation of 123,667 copies and 356,000 readers on weekdays and 145,346 copies and 471,000 readers on Sundays.¹¹

Dagens Nyheter, the largest daily newspaper in Stockholm, the capital of Sweden. It has a total circulation of 363,100 copies and 917,000 readers on weekdays and 392,200 copies and 910,000 readers on Sundays.¹²

San Francisco Chronicle, the largest daily newspaper in Northern California. Last year it had a total average paid circulation of 419,358 copies (Wed-Sat) and 1,079,900 readers (Mon-Fri). On Sundays the total average paid circulation was 467,216 and the readership 1,231,700.¹³

I've read articles on specific company news, excluding overall articles on the national economy, general stock market reports, central bank rates etc.¹⁴ Technology articles and consumer focused articles are included, if the company behind the technology or the product has a role in the article and is not just mentioned by name.

To measure the amount of articles dealing with innovative startups, all articles have been sorted into either of two categories: "Listed company" and "Non-listed company". Articles covering both listed and non-listed companies are counted into both categories.¹⁵

¹⁰ Only the daily business sections are included in the study, not related sections like Jobs or Careers. On Mondays, the business section in San Francisco Chronicle is labeled Technology and it's included in the study. From Dagens Nyheter, the edition for southern Sweden is used in the study.

¹¹ The six months period ended December 31, 2005. According to Dansk Oplagskontrol and Index Danmark/Gallup.

¹² The 12 months period ended December 31, 2005. According to Tidningsstatistik (TS) and Sifo Research International/Orvesto konsument 2005.

¹³ According to Publisher's statement for the six months period ended September 2005 and Reader profile for the 12 months period ended July 2005, by Audit Bureau of Circulations.

¹⁴ Only the larger articles with an author are counted, not the shorter digest items. Sidebars are not counted as articles.

¹⁵ Non-listed companies that have a listed company as majority owner are labeled as "Listed company". Companies that have been listed but are no longer, due to reconstruction, are also placed in the category of listed companies, unless they are bought and now owned by a private equity company. The same goes for companies heading for the stock market in a near future or are doing

It could be discussed to what extent the category “Non-listed company” actually covers innovative startups, which is the aim of this paper. Within the time limit, it has not been possible to dig deeper into statistics, going through earnings to find the small companies or reading company profiles to find out if they are really innovative. Since the study is just a snapshot, the findings should be a sufficient base for the following discussion about how newspapers cover innovative startups. In the chapter “Findings” I will also discuss some of the articles in the group “Non-listed companies” that do not deal with innovation or startups.

Measuring the amount of articles about innovative startups provides the empirical ground for a discussion about how newspapers chose what companies to write about and “what’s news” in their business sections.

For this paper, I’ve interviewed the business editors of the three papers in the study: Finn Mortensen at Berlingske Tidende, Thorbjörn Spängs at Dagens Nyheter and Ken Howe at San Francisco Chronicle. The questions focused on...

...who are their readers?

...what’s news in the business section?

...what kind of companies do they write about and why?

...why are there so few articles about innovative startups?

5 Findings

5.1 What companies do they write about?

The three newspapers in the study have a similar kind of coverage. Between 68 and 83 percent of the articles deal with listed companies. San Francisco Chronicle had the highest number. Berlingske Tidende had the lowest, but their figures were influenced by the fact that one single company among the non-listed made it into the paper several times, due to a political crisis.

Many of the non-listed companies in the study are in reality larger corporations, for example companies owned by the government, co-operative owned companies or not-for-profit organizations in the health care sector.

Only a handful of articles in each newspaper dealt with startups during February and far from all of these companies could be described as innovative.

an IPO right now, they are counted as listed companies. Pension funds are counted into the listed category, since the interest of their value is similar to that of listed companies.

5.1.1 Berlingske Tidende

Berlingske Tidende published 287 articles on company news in February. Out of these, 195 (68%), dealt with listed companies and 74 (26%) with non-listed companies. Another 8 articles (less than 3%) included both listed and non-listed companies.¹⁶

The number of articles on non-listed companies is higher than in Dagens Nyheter and San Francisco Chronicle, but one single company explains a significant part of the difference. Arla Foods, a co-operative owned dairy company, came into media focus during the boycott of Danish goods after the controversial publication of cartoons of the Prophet Mohammed in a Danish newspaper. Arla Foods stands for 4 percent of all articles in Berlingske Tidende's business section during February.

A majority of the other articles on non-listed companies covered big, family-owned companies or companies owned by the local or national government. A series of articles dealt with companies that were bought out from the stock market by private equity actors.

Only a handful of articles covered smaller companies and few, if any, of these companies are the kind of innovative startups that this study focuses on.

5.1.2 Dagens Nyheter

During February, Dagens Nyheter published 149 articles on company news. Out of these, 115 (77%), were about listed companies. 30 articles (20%) covered non-listed companies and 3 articles (2%) included both listed and non-listed companies.¹⁷

One out of five articles is about a non-listed company. That might seem like a lot, but many of them deal with government owned companies such as Vattenfall (Electricity), Bilprovningen (Motor Vehicle Certification), Apoteket (Pharmacy) and Sveriges Television (Public Television). A financial institution heading for bankruptcy counts for a large part of the non-listed company articles. The third large category among the non-listed companies are consumer focused articles about Ikea, supermarkets or travel companies. Only five articles are actually about companies that could be counted as innovative startups.

5.1.3 San Francisco Chronicle

San Francisco Chronicle published 141 stories about companies during February. Out of these, 117 covered listed companies (83%), 22 non-listed (16%) and 2 both listed and non-listed companies (1%).

¹⁶ The last 10 articles couldn't be counted into either of the two categories.

¹⁷ For one article, it has not been possible to confirm that all the companies are non-listed, but that is most probably the case.

Several of the non-listed companies are in the venture capital field, either investing or being invested in, including some buy-outs of larger businesses. A couple of the non-listed companies are not really companies, but rather not-for-profit organizations in the health field. Only five articles are about companies that in one way or another could be seen as innovative startups.

5.2 Why do they write about these companies?

The three business editors were interviewed without having seen the results of the study. The interviews started with broader questions about readership, content policies and “what’s news?” in the business section.

Not surprisingly, they all focus on the bigger and listed companies, which is confirmed by the study of the content in February. That being said, there’s an important difference between San Francisco Chronicle on one hand, and Berlingske Tidende and Dagens Nyheter on the other hand. A few months back, the Chronicle decided to assign a reporter to cover innovation as a beat – not only typical business stories, but all kind of new ideas in early stages. This is still very new and had little impact on the coverage in February, since the first article in a series of innovation was published on February 26. It’s important to note that this is not a temporary project, but a long-term effort to expand the coverage of these issues.

Both business editors at Berlingske Tidende and Dagens Nyheter think that they should cover startups more often, but don’t have time and space in the paper to do it. Other stories are more important. During the summer of 2004, Dagens Nyheter carried out an experiment with a series of articles on startups and entrepreneurship. It resulted in very much and positive feedback from the readership. Nonetheless, no efforts have been made to continue reporting on startups after that.

5.2.1 Berlingske Tidende

The primary focus lies on the largest businesses: big listed-companies, big family-owned corporations and the financial sector overall. There’s not so much focus on small and medium sized companies, even though Denmark is well-known for having a large share of SMEs. The business section writes about startups only occasionally and there is no reporter assigned to covering this area.

Business editor Finn Mortensen thinks that up to 75 percent of his readers are business professionals. They are top or middle level managers. About 45 percent of the readers are female, which is more than the average for the paper overall.

Articles about private investments, interest rates and other “news you can use” are published on Saturdays. On Sundays there are bigger feature stories about people and international perspectives. These articles could also be about younger entrepreneurs, but more of them as interesting persons and the next generation of leaders, than about their companies.

Berlingske Tidende competes with the business daily Dagbladet Børsen, rather than with other morning papers. Since they changed the focus of the business section in 2003 to more of a business-to-business profile, the advertising has grown, especially in the important B2B-segment.

The small amount of articles about startups is a deliberate choice, even if Finn Mortensen thinks they should write more about innovation or innovative startups. The reason they don't is lack of resources. Since the readers don't complain, there are no plans to change it.

"They want to read about the big companies and the personal stuff," said Finn Mortensen.

The business section has 30 employees, out of which 20 are reporters. Only one of them has tried to run a business of their own, according to Mortensen.

5.2.2 Dagens Nyheter

Since Thorbjörn Spängs became the business editor three years ago, he has changed the focus of the business section from private economy and labor market issues to more of company stories. Today they cover the largest companies on the stock market, having influence on the economy both when it comes to national growth and value in pension funds. They also report about smaller companies on the stock market, for example when they do their IPOs; especially if these companies are well-known to the broader public, for example retail chains such as Hemtex or KappAhl.

The business section doesn't have a reporter dedicated to small business, due to limited resources. From time to time they write about startups, but it often depends on the personal interest of single reporters. For example, during the summer of 2004 Dagens Nyheter ran a series of articles called "The new entrepreneurs" and it resulted in a huge response from the readers, including the Minister for Industry and Trade. The idea to do the articles had been there for a while, but it wasn't until some temporary summer reporters showed interest in it that it actually happened. This meant that when they left the paper, the reporting on new entrepreneurs went back to normal. The articles were also published during the low season for company news and more open space in the paper. The experiment was repeated last summer, this time by the profiled business columnist Bengt Carlsson, but didn't change the reporting after the summer period.

Dagens Nyheter tries to satisfy a broad readership, from small private investors to business professionals. Business leaders and policy makers are important target groups and if they are happy with the business section, the reputation will spread to the broader readership. This is also important for attracting advertisers. The major competitors are the business dailies Dagens Industri and Svenska Dagbladet Näringsliv, also the second national newspaper in Sweden.

The business section has about 20 employees, including 15 reporters. From what Thorbjörn Spängs knows, none of them have experience from running their own business, except for some freelance businesses.

5.2.3 San Francisco Chronicle

When Ken Howe became the business editor six years ago, he wanted to change the way to do business journalism. At that time all the reporters had company beats.

“Business is not always about companies. It’s about trends, consumer and technology – and often about companies. We don’t write for investors, neither professional nor private investors. That used to be the readers of the business section, but it’s not true today and it’s not who we should be writing for. We write for the intelligent reader and that goes far beyond the investors. Lots of our page one stories are not about companies,” said Howe.

Today the Chronicle has a small business reporter, an innovation reporter and a biotech reporter. They all cover broader issues than just company news.

“Biotech is an industry with a lot going on, that is more important than were the stock is going.”

Howe also points out an important change in the way they write company stories today. Most stories have a foot in the company, but they also include technology, jobs, science and a lot of other things. On Mondays the business section is dedicated to and labeled Technology. (To compare the way stories are written with the other newspapers would demand a qualitative study of the articles. That has not been possible to do, due to the limited time. But from reading the Chronicle during February, I would say it’s true to some extent. Many articles still focus on revenue and earnings, though.)

The new reporter on innovation, Tom Abate, is the only one at the business section with the experience of running his own company. He also has a background in covering science and technology. Ken Howe hopes to find new ideas in a much earlier stage than right before a company does its IPO. And he is not afraid of giving attention to the wrong technologies.

“There is so much happening before the IPO or even before they have a company name on the door. I’m interested in the new ideas people come up with. We have to go to the universities and talk to the students to find out what ideas excite them. I want to find the next Sergey Brin. I don’t care about if we spot the right thing; I only care about what is discussed now. This is far from the investor-oriented business section, but the readers will be informed about the tech landscape.”

This kind of articles will never outweigh stories about bigger companies, but Ken Howe could see the number of innovation reporters expanded with one or two in the future. It’s still a question about of space and resources, since the readers also care about interest rates etc.

According to Howe, the Chronicle has no real competitor when it comes to overlap of readership. The San Jose Mercury News is often mentioned as the Chronicle's main competitor, especially within technology news, but he thinks of them more as an intellectual competitor together with Los Angeles Times, New York Times and CNET, since there is not a lot of crossover in readership.

The business section at San Francisco Chronicle has 17 full time reporters and 30 employees in total.

6 Discussion

It is clear from the study that newspapers don't cover innovative startups on a regular basis. According to the business editors, that is not their main focus, so there is a connection between theory and practice. The exception might be San Francisco Chronicle, where business editor Ken Howe has changed the way company news is covered. At the same time, the Chronicle is the newspaper with the highest share of articles on listed companies.

6.1 Why Newspapers Don't Cover Innovative Startups

There are a few different explanations, but I would say that the primary reason for focusing on listed companies is that "Big is beautiful". It's easy to see how big companies affect the economy, all the way from shareholders to national growth. There is also something going on every day in these companies.

With smaller companies, it could be hard to find the right time to write about them. It could be harder to explain to the readers why you publish an article on a small company, which may still have several years to a market launch.

In this way, it's easy to explain why big, listed companies make it into the newspapers. They get better scores, when looking at the ten rules for "what's news" by Håkan Hvitfelt (see 4.2). For example, these stories deal with elite persons, can be described in an easy way, are part of a bigger theme and are important to the many shareholders. This doesn't mean that stories on innovative startups are not news worthy, but it will sometimes take an extra effort from the reporters and editors to explain it to the readers, so that they can connect to the story.

Another problem is of course the huge amount of small companies out there. Since the business sections can't even cover all the listed companies, how should they be able to handle the endless field of startups? This links to the next reason for the lack of articles on innovative startups – lack of knowledge.

Small companies don't have PR departments, they might hide in a basement and consist of a couple of researchers working on totally new things, speaking a strange

language. You can't sit around and wait for their next press release, but have to go out there and find them yourself. Often it takes extra work just to understand what they are doing, since no PR agency sends you a fact sheet on the company and their technology. All this requires knowledge and curiosity.

6.2 Why Should They?

Every single reader has their opinion on what should be in the paper or not. It's just not possible to satisfy every wish. Following the big listed companies is an easy way to satisfy as many as possible, since listed companies normally interest a lot of people.

What about innovative startups? Who cares?

The easiest way to put it is that every journalist likes to be the first on a story. No one would say no to finding the next Google, but only a few reporters are actually searching. The rest sits around and waits until there's a press release on the IPO. Since that kind of stock market related information is available on the internet within seconds, there is no future for printed papers with a very narrow focus on the stock market. Actually, it's an issue of necessary business development for printed newspapers to start telling more exclusive stories to their readers. It would give the paper a profile that differs from the mainstream business news coverage.

A more visionary statement would be that it's an obligation for large newspapers to also cover what is going on in the small world. This connects to the theory of Medici Effects in Frans Johansson's book. If you as an editor or reporter don't want to report merely on what just happened, but also contribute to the development of your society, you should provide your audience with important information for them to make the right decisions. This could be controversial to some people, but I don't mean that you should tell the readers what to do and how. You should just give them the information they need and can act upon, the most important information being the things they couldn't find out of elsewhere.

This way, newspapers could actually play the role of Intersections where different ideas and cultures meet, contributing to Medici Effects. That is not different from covering politics, where the readers get information helping them to decide how to vote in the next election. Broader newspapers have a role to play here, that specialized magazines can't take on. The newspapers, together with TV and radio, have the most mixed audience. It's this mix of different knowledge and experience that is necessary to create groundbreaking innovations and Medici Effects.

6.3 How Could it be Done?

This is a huge question. How do you change the culture of big newsrooms? It's not possible to answer in depth in this paper, but let me give some suggestions on where to start.

- **Redefine the news rules.** There's nothing in the theory of Håkan Hvitfelt that says innovative companies can't be newsworthy. Actually, several of the ten points better relate to innovative startups than huge corporations, for example conditions that are sensational and surprising and are important and relevant. But since the culture in a newsroom normally follows the regular path, it would certainly take some work and internal discussions to change this.
- **Send all stock news online.** When the business world is changing, the way of doing business journalism should also change. But still almost every newspaper spends several pages every day, just reprinting yesterday's stock quotes. When the stock markets open in the morning, this is old news after a second. All three business editors in this study said space in the newspaper is a problem. The easiest way to solve this is sending all the short-term stock market news online, freeing space in the printed version of the paper for new and exclusive news. This could include both analyses on listed companies and articles on innovative startups.
- **Educate editors and reporters.** None of the three business sections in the study have a lot of reporters or editors with a business background. I don't say that you must have run your own business to be able to write about innovative startups. What these companies are doing is so brand-new that you have to learn it from the beginning anyway, but a better background knowledge on how small companies work and live would make it easier to find them and understand what is going on inside these companies.

7 Conclusion

The purpose of this paper is to study how daily newspapers cover innovative startups and analyze why not more is written about these new companies. Three newspapers – Berlingske Tidende, Dagens Nyheter and San Francisco Chronicle – have been studied. All articles on company news in their business sections during February 2006 have been read and categorized into “listed” or “non-listed”.

The result shows that large newspapers mainly focus on big, listed companies in their business sections. This is a deliberate choice, due to the perception of the interest of the readers and the available resources.

When writing about non-listed companies, these companies are seldom innovative startups, but rather large companies owned by governments, co-operative organizations or not-for-profit-organizations. Only very few articles deal with innovative startups.

One of the newspapers in the study, San Francisco Chronicle, has recently assigned an innovation reporter and their business editor tries to change the way the paper writes about companies. He thinks that the old investor perspective is out-of-date and that business journalism has to change.

The other two newspapers, Berlingske Tidende and Dagens Nyheter, seem to focus more on the traditional way of covering company news. Even if they sometimes talk about writing more about entrepreneurial issues, they have no intentions to change the focus from larger and listed corporations into also covering the innovative startups. This is said to be because of lack of resources.

Still, there are some good arguments for why newspapers should pay more attention to innovative startups. Nothing in the news principles says that these companies are not news worthy and it could also be a question of business development for the newspapers, when more and more of stock related news are available on the internet within seconds. A more visionary argument would be that daily newspapers have an interesting mixture of readers that could make the society grow faster, if they just got a chance to meet and mix their different knowledge and experiences.

It's not an easy path, but there are ways of changing the culture of the newsrooms, if desired. Rules have to be redefined, so that old ways of thinking don't hinder more extensive coverage of innovative startups. Reporters and editors must be educated, so that they understand the mechanisms of innovative startups, since they differ from those of big, listed companies. Stock related material should also be moved online, so that the print version of the paper could contain new and exclusive news articles.

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