



GOOD ON PAPER

Fourth-generation newspaper chief Sarah Dennis brings the Halifax Chronicle Herald — and a family legacy — into the challenging modern publishing era

BY BRYAN BORZYKOWSKI / PHOTOGRAPHS BY AARON MCKENZIE FRASER

It's hard to believe now, but Sarah Dennis wasn't sure if she would end up taking over the family business. Her great-uncle William Dennis became the owner of what would become *The Chronicle Herald*, Nova Scotia's paper of record, in 1907, and passed it on to Sarah's grandfather 13 years later. Her dad, Graham, became the owner and publisher in 1954, when he was 26, and ran the fiercely independent broadsheet until his death in 2011.

Most people figured Graham's daughter was next in line — especially after his son, William, passed away at the age of 30. But, despite working her way up through the ranks, she wasn't so sure. "William and I had planned to run it together, but after he died, I thought to myself: 'Who's going to do this now?'" she says. "You could never assume with my dad, so there were many times, up until he died, that I didn't know if I'd be the one running it or not."

When Sarah Dennis did officially become the owner and CEO of the *Herald* after her father passed away, the publication she inherited was not the same one he oversaw during the golden age of newspapers. Circulation had declined from a peak of 140,000 copies in the early 1980s to about 108,000 today, and

advertising dollars — which poured in during the 1960s, '70s and '80s — had become scarce. When Graham was in charge, there was no question that the paper would be around forever. Now, though, the media industry is in turmoil. Once-certain ad revenue has shifted to other types of media, including Google and Facebook. In 2012, U.S. print advertising revenues fell by \$1.8-billion, or 8.7 percent, according to the Newspaper Association of America, and Canada is seeing similar declines. With that in mind, it's up to Dennis to make sure that her family company lasts for another generation.

THE GOOD OLD DAYS

Graham Dennis was your typical old-school media baron, despite being in charge of a local paper. He was a free-spending publisher who set up bureaus across the country — and even one in London, England. Bob Howse, who has been the *Herald's* editor-in-chief for 25 years, says that when Graham had an idea, he ran with it, and then figured out how to pay for it. He once told Howse, a week before a G8 Summit in Italy, that he should send a reporter there. "He said it and we would do it," says Howse. "He had some very good instincts about what the public wanted, and he didn't care very much about the business case."

To the elder Dennis, the paper was more than a business; it was a crucial part of Nova Scotia life. He cared deeply about his province and made sure everyone could receive the *Herald*, even if it meant spending excessive amounts of money to deliver it to out-of-the-way areas. He also made sure his staff was well taken care of; it's difficult to fathom today, but legend has it he even gave at least one reporter an interest-free mortgage.

Mark Lever, Sarah's second husband and the paper's current publisher, says that Graham never thought much about the business side of things. Being publisher was more of a duty and responsibility than anything else. "It was an institution," Lever says, "a sacred trust with the people of Nova Scotia." Graham had a romanticized version of what running a paper was all about — in part, says Lever, because he took over as publisher



Sarah Dennis and her husband, *Chronicle Herald* publisher Mark Lever, at the newspaper's office in Halifax

at such a young age, at a time when newspapers were the dominant source of information.

One of the negatives of not putting business first was that no one had a good sense of how the paper was doing. Sarah Dennis says her father rarely spoke about financials — at least not to her. As friendly as he was to his reporters, he was also a “benevolent dictator” who ran a silo-driven organization, says Lever. “He was the holder of all the cards,” he says. That was frustrating for Dennis, who says her relationship with her father was “like *Survivor*.” He’d often test her to see if she’d make mistakes and he wouldn’t tell her what was going on. It’s still hard for her to think about. “I tried to bury a lot of those things back in the past,” she says.

THE NEXT GENERATION

Although she may not have been convinced that she’d one day end up running the paper, Dennis made a point to try out nearly every non-editorial *Herald* job she could. When she was 14, she started in the classifieds department and eventually wound her way through advertising, circulation and the printing-press room. “I tried everything, from soup to nuts,” she says. She also got an MBA from Halifax’s Saint Mary’s University.

Slowly but surely, she climbed the ladder, becoming a vice-president in the 1990s. In 2009, still as the *Herald*’s vice-president, she oversaw the first round of layoffs in the paper’s history. Thanks to sharply declining ad revenue, a quarter of the *Herald*’s staff — about 25 people — were let go. “It was really rough,” says Howse. “We lost some talented young people we had been developing.”

While firings are always hard, this was when Dennis started

establishing herself as a strong businessperson. No longer would the paper’s finances be put on the back burner; if it was going to succeed in the 21st century, it would have to be run like a business, not as some untouchable Nova Scotian institution.

Of course, that’s easier said than done. In family businesses, people often get caught up thinking about what previous generations would have done. Dennis is acutely aware of how important the paper is to her entire family and to her city, but she makes it clear that she won’t let the past dictate how she operates. “It’s a business, and you have to run it like a business,” she says. “The history is important, but you can’t let that determine what you do.”

To people familiar with the paper, it quickly became apparent that Dennis would be managing the *Herald* differently from her dad. Lever now holds quarterly meetings with everyone in the company to discuss how the paper is doing. She’s also not afraid to share information with her team. “I’m female,” she says. “Maybe that’s why people know more than they did before.” She also has a far less romantic view of the newspaper, says Stephen Kimber, a professor of journalism at the University of King’s College in Halifax who has written several articles on the Dennis family. That’s made it easier for her to cut costs, he says.

Perhaps her most significant budget-slashing measure since the 2009 layoffs came last April, when the *Herald* stopped publishing its Sunday edition. While it had only started printing the Sunday paper in 1998, and it was never a runaway success, it was still a hard decision to make. Kimber thinks it would have been especially tough on Dennis, because that edition, he says, was her late brother William’s pet project.

From a business perspective, though, dropping the Sunday paper was a no-brainer. Only printing six days a week instead of seven saves a lot of money. So would not shipping it to rural Nova Scotia. Dennis and her staff decided to put some of those savings toward the Saturday paper, which is 30 percent larger than it used to be and now includes more feature writing. For those who still need their Sunday news fix, the *Herald's* website is regularly updated throughout the day.

What was most interesting to Howse was how involved everyone was in the process. There were discussions across the company on whether to abandon the Sunday paper and how to improve the Saturday edition. "I've never seen so much involvement through the entire newspaper," he says. Not everyone was initially on board — "It was a gamble," says Howse — but after Lever explained the reasons behind discontinuing the paper, the staff understood that it had to be done. Howse was also impressed by how quickly it all came together. The initial talks around stopping it, reworking the Saturday version and then actually printing the final Sunday edition took just six weeks.

NEWSPAPER INC.

Dennis may not wax nostalgic about the family business, but she also doesn't want it to fail. It's up to her to take this paper into the digital age, which is just as heady a task for a small independent like the *Herald* as it is for a corporately owned daily. Her father knew that digital was coming, but it was the younger, more tech-savvy Dennis who helped encourage him to build a website in 1994. She also undertook a major redesign of the site about two years ago, which included its first mobile app. And the paper launched the *Herald Business Insider*, a newsletter focused on Atlantic Canada business news. These initiatives, says Dennis, are bringing in money, but like every other news organization in Canada, they're not making up for declining print ad revenue — though readership is at an all-time high.

However, while Dennis won't go into numbers, she says the company is profitable. That's in large part due to her business focus. Like many other companies, she's trying to diversify her organization's assets. In February 2012, the company launched *Herald Magazine*, a glossy magazine published eight times a year, which is off to a promising start. They bought Bounty Print, a commercial printer, in 2011 (through a sister company), and the weekly *Antigonish Casket* in 2012. Just this year, Dennis and Lever also brought Headline Promotions, a company that sells corporate apparel and promotional products, into the family. "We're not always just looking for bolts onto this business," says Lever. It's some of these more stable, non-newspaper

assets that could keep the company afloat until the media industry's ongoing upheaval settles down.

Both Dennis and Lever agree that being independent helps. He says that since they don't have any impatient shareholders watching over them, they can take their time to develop new products. Howse thinks it gives the paper credibility with their readers because they're not worried about appeasing people in other places. "Editorials aren't written by someone who doesn't know the area," he says.

Martin O'Hanlon, the director of CWA Canada, the *Herald's* union, agrees that being independent is a "huge" advantage. Independent newspapers don't generally carry big debts, which means they don't have to make large profit margins to satisfy their loans. This is a big reason the paper hasn't endured more layoffs, says O'Hanlon, while many of the national newspapers keep cutting staff. In fact, Dennis has hired almost as many people as were laid off in 2009. "The staffing level is the biggest good-news story," O'Hanlon says.

Whether the paper will stay independent and within the Dennis family is not clear. In perhaps the biggest departure from her father's days, she says she would entertain offers from buyers, if someone came calling. Deep-pocketed newspaper chains had approached Graham about buying the paper over the years, but he steadfastly refused to sell.

His daughter is more practical. If she's going to run the paper as a business, it has to be treated like a business. For better or worse, that means selling if the price is right. "Selling is not something we're considering," Lever makes clear, before Dennis jumps in and says they have to evaluate everything. "If someone comes and says they want to purchase you, you have to think

about it," she says. "I can't look at it and pretend it's not there."

For the foreseeable future, though, *The Chronicle Herald* will remain family-owned and operated. While Dennis is focused on growing the business, it's not because she hopes to one day leave it to her kids. Lever and Dennis's blended family includes five children between the ages of nine and 15, and if none of them follow in her family's footsteps, she'll be fine with that. Her one big regret is not getting work experience somewhere other than the *Herald*, so she insists her kids won't be allowed to come to work at the newspaper until they've put in some time elsewhere. "They have to explore," she says.

And if no Dennis wants to run the paper in the future? She's fine with that, too — something her father would likely cringe at hearing. "We're not a monarchy here," she says. "You don't have to have someone from the family running the business for it to be a family business. Just because our last name is Dennis doesn't mean we need to have a Dennis in charge." ■

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