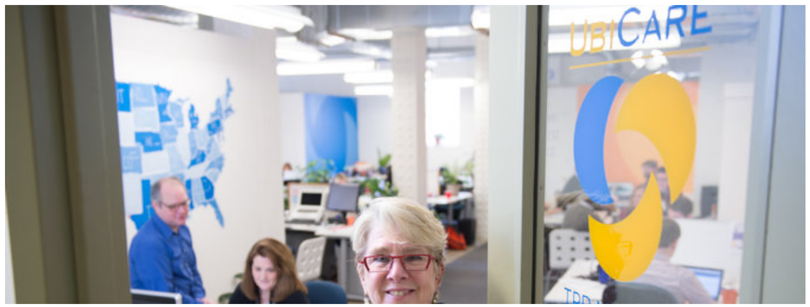
SMALL BUSINESS | CASE STUDY

A Content Company Weighs Becoming a Technology Company

By BRYAN BORZYKOWSKI FEB. 19, 2014

TPR MEDIA creates and distributes medical-related messages and information to patients. Co-founded by Betsy Weaver in 2002, the company, which is based in Boston and has 20



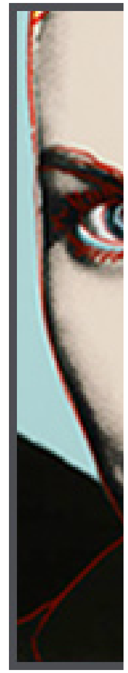
employees, helps hospitals reduce the number of calls doctors receive from patients and keeps people informed of what to expect on their medical journeys.

For example, the week before an operation, the patient receives a reminder of what to bring to the hospital and what medications to take before arriving. In the days after the operation, regular emails explain how the patient should feel and what drugs he or she should take.

The Challenge

In 2009, after several years of 30 percent growth, the company's revenue leveled off. While the recession may have caused some of this, TPR Media continued to see little movement in 2010 and 2011. "It was not trending in the upward direction we expected it to be trending," Ms.

Betsy Weaver, chief executive and president of TPR Media, is looking for ways to increase revenue growth.
Gretchen Ertl for The New York Times



Weaver said. “Everyone knows that if your revenue line is not growing, then you’re dying slowly.” She decided she needed to find a way to get her revenue moving again.

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The Background

Ms. Weaver started TPR Media to deliver patient information to pregnant women and gradually expanded into other areas, such as orthopedics and obstetrics.

Early on, the content was sent by email, a process that was outsourced. TPR Media created the messages, but another company owned the email platform.

In its first five years, the business grew to nearly $2 million in annual revenue — in part because Ms. Weaver renewed about 80 percent of the contracts that came due every year. But in 2009, signing new business started to become more difficult. “We were saying, ‘Wow, we’re not going anywhere fast here,’ ” she said. Looking back, she pointed to several reasons for the slowdown. The first was competition — other companies had started doing what she was doing, and it had become harder to sign new clients.

The second was that the recession made an already conservative medical industry even more risk-averse. Hospitals were nervous about spending money and, again, new clients were harder to find. “No segment of the marketplace is immune to nervousness in a recession,” Ms. Weaver said. “And we’re in a segment that’s traditionally preoccupied with risk.”

It also became clear that clients wanted to be able to send their messages in ways other than the email platform she was using, such as through social media, and many clients wanted her to be flexible enough to service several of their divisions. None of this was possible with the outsourced email platform. “We could only go to people and say, ‘Do you want this thing we have?’ ” Ms. Weaver said.

She realized that she had to make changes, but she wanted to make sure that she made the right changes. “You have to think about it,” she said. “You can’t change direction on a dime.”

One of the first changes she made, in 2010, was to incorporate social media into her content offerings. Patients would be able to receive messages through Facebook and Twitter instead of, or in addition to, email.

Within three months, she managed to develop 50 Facebook modules and a back-end platform that could automatically send content through the social network. Developing the content cost the company about $75,000, and developing the social media platform cost “several hundred thousand" dollars more. Still, however, clients seemed reluctant to sign on to the new health care content marketplace, which the company calls UbiCare.

Some thought that they did not need TPR Media's services. "They ended up thinking that since Facebook and Twitter are free, they could do it themselves," she said. "They thought, 'Why should I pay someone when we can do this?' " In 2010, Ms. Weaver concluded that she would have to consider other options.

The Options

She thought about trying to raise prices for new customers. Some hospitals paid around $10,000 for specific services, while others paid double for additional services. Revenue might rise if the company offered only one rate.

Of course, in a recessionary environment, there was a risk that people would not pay the higher price, and she was having enough trouble signing up new clients already. But she said she believed her track record would persuade people to pay. "Everyone that you sell anything to starts out by saying, ‘I don’t have the money for that,’ but we had tons of testimonials that showed this works,” she said. “We were confident it wouldn’t be a problem.”

She also wanted to try looking for business outside the medical field. Any company that needed to send out timed information could be a client. Schools could help parents with a child’s development, and pharmaceutical companies could relay instructions about how and when to take medication. Of course, preparing content for and marketing to new industries would take time and money.

Ms. Weaver’s most ambitious idea was to bring all of her technological needs in-house. Using a third-party company to distribute content had become increasingly frustrating. It often took weeks to make simple changes to programs, and carrying out new ideas took even longer. “We wanted to add bells and whistles, but we weren’t in a position to change things ourselves,” she said. Maybe, her team started to think, we should build our own platform. Maybe we’re not just a content company but also a software company.

Bringing technology in-house, however, would fundamentally alter the business. She would have to hire and oversee a team of technology people, hire a chief technology officer and spend time focusing on developing software in addition to content. She knew it would be a big move, but she thought that not paying regular fees to a third-party developer would save money.

What Others Say

Steven Greenbaum, co-founder and chief executive of PostNet International Franchise Corporation, a design and printing company for business-to-business companies: “My sense is that her strength is in information and not in technological development and creation. I’d want to stick to my core strengths. I’ve had to take some of my own technology in-house, and it’s not easy.”

Robert Livingstone, founder and chief executive of RoyalText, a mobile marketing company that got its start in the health care industry: “My first recommendation would be to see what they can apply their same service to. We shifted from working with doctor’s offices, which had a sales cycle of up to three months, to working with restaurants and retail where the sales cycle can be a few days. I would also dedicate fewer resources to try and get new clients and spend more time servicing existing ones.”

Andrew Hazen, co-founder and chief executive of Allbobbleheads.com, a company that makes custom bobble heads: “It’s shrewd of her to realize that she has to keep iterating and that she’s now exploring technology and willing to hire a chief technology officer. I think it can be a good thing to try and develop a proprietary technology that can become an intellectual property asset. When it comes to pricing, I think it doesn’t have to be an issue as long as she can support it with value. It’s like any software-as-a-service model — you have a good, better and best plan and then you push people to the middle.”

The Results

Offer your thoughts on the You’re the Boss blog at nytimes.com/boss. Next week on the blog, we will provide an update on the decision Ms. Weaver made and how it is working out.

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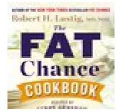

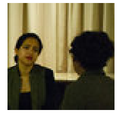

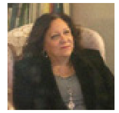

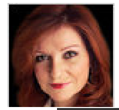

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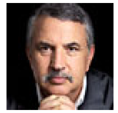

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