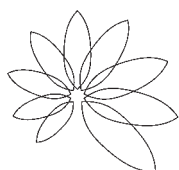

Helsingin Sanomat Foundation
Annual Report
2010



HELSINGIN
SANOMAT
FOUNDATION

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Annual Report
2010

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THE FOUNDATION BREAKS NEW GROUND IN COMMUNICATIONS

When the Helsingin Sanomat Foundation began its operations five years ago, one of its aims was to be proactive. In addition to its broad grant-giving activity, the Foundation was to create its own projects in order to help the Finnish media, especially Finnish newspapers, succeed in the future.

Last year one of the most visible new projects launched by the Foundation was the Uutisraivaaja Contest. The purpose of the contest is to find ground-breaking ideas for media and for journalism. Never before has an innovation contest with such influential effects on the media sector been organized in Finland.

Because innovations often emerge from brilliant ideas and from experimentation, the Uutisraivaaja Contest is fishing for ideas with the largest possible net. It could be compared to an open architectural contest.

The first phase of the contest is open to anyone. Groups, businesses, or organizations are as welcome to enter the competition as individuals. Non-Finns can also participate, although the winning project must be implemented first in Finland.

The most promising ideas are being funded with seed money already in the early spring of this year. These ideas will be worked on until the fall, when a jury will select a winner. The winner of the final competition can receive as much as 250,000 euros in prize money. With these funds the winner will develop the idea further, ideally as a separate business venture.

The goal of the Uutisraivaaja Contest is to find and develop new working methods and successful business models for the media and journalism. These are needed in the media revolution going on today if media firms are to avoid the kind of downward spiral into which traditional newspapers have fallen, for example, in the United States.

The model for the Uutisraivaaja Contest is the American competition called the Knight News Challenge. Over a five-year period in the United States, the Knight News Challenge has generated many new enterprises for the media sector and fresh ways for journalists to produce content. Last year visualization and gaming-related projects were given awards. One of the winning ideas was the NowSpots project in which real-time advertisements can be created and developed.

In addition to the contest and grants activities, the Helsingin Sanomat Foundation maintains and supports the Päivälehti Archives and the Päivälehti Museum.

Last April the Päivälehti Archives celebrated its twentieth anniversary. The biggest challenge to its operations is the electronic archive.

During the year the Archives carried out fundamental developments in order to collect and preserve the electronic historical materials in the Archives' collections for the benefit of future generations.

The Archives also continued the project begun earlier to digitize its documentary and iconographical materials.

Last year the Päivälehti Museum set a new record: 75,000 guests visited the Museum – a record for a specialty museum in Finland.

The year 2010 also marked the 150th year since the birth of Eero Erkko, the founder of the newspaper *Päivälehti*, the predecessor of *Helsingin Sanomat*. In honor of Erkko's lifework the Museum created a multi-vision production, which can be seen in the Museum's movie theater.

The Foundation distributed grants in the amount of 4.4 million euros to a total of 26 projects, mainly for purposes of research and education in the communications industry.

Last year the Foundation sent mid-career journalists to five top universities in the United States, Great Britain, and Germany. The Foundation also signed an agreement with a new cooperating partner, Fudan University in Shanghai, where each year Finnish journalists will be given the opportunity to conduct post-graduate study. One fellow has already been selected.

For the current year the Foundation has reserved the sum of five million euros for grants.

Heleena Savela



OPERATIONS

The purpose of the Helsingin Sanomat Foundation is to safeguard the future of the Finnish media, especially the future of newspapers. In order to achieve this aim the Foundation awards grant money for research and training in the field of communications and also organizes contests. The Foundation further fulfills its mission as a non-profit organization by maintaining the Päivälehti Archives and the Päivälehti Museum.

In the fall of 2010 the Board of Trustees reaffirmed the guidelines for the Foundation for the years 2010–2020. The strategy strengthens and refines the principles of the constitution. According to its constitution, the Foundation's task is first and foremost to promote and support futures research and research connected to communications and the communications industry.

During the year 2010 a total of EUR 4,355,576.00 in grants and donations was awarded to 26 projects.

The Helsingin Sanomat Foundation celebrated its Fifth Foundation Day on 16 September, in the Päivälehti Museum. On Foundation Day the grants awarded at the beginning of the year were announced, and the launch of the Uutisraivaaja Innovation Contest was declared.

In the fall of 2010 a new incumbent was chosen for the Guest Professorship in Journalism, a position established by the Foundation at the University of Tampere. During the academic year 2011–2012, the position will be filled by producer Iikka Vehkalahti.

During the year the journalist fellowships granted by the Foundation enabled 12 Finnish journalists to begin post-graduate education at top universities abroad. In the year 2010 the Foundation signed an agreement with a new partner, Fudan University in Shanghai.

The Foundation is a member of the Council of Finnish Foundations, the European Foundation Centre (EFC), and a post-doc pool created by Finland's largest foundations.

The central task of the Päivälehti Museum is to promote the literacy of the Finnish people, safeguard freedom of speech, and preserve the newspaper and publishing history of Finland for future generations.

During the year 2010 the Museum had a record number of visitors: over 75,000 guests, 30,000 more than in 2009, became acquainted with the Museum. There were more than 700 guided group tours. The largest number of these groups came from daycare centers.

The main exhibition during the year was “The Great Adventure: The Moomin Family 65 Years.” The President of the Republic, Tarja Halonen, opened the exhibition on 11 March 2010.

On 19 October 2010 the exhibition “Wood Cut – Hand Printed” was opened in the Museum’s Printing Cellar; it depicted the engraver Daniel Medelplan and the early stages of printing technology.

On 11 November 2010 in the Museum’s foyer the exhibition opened called “Koskenniemi at the Epicenter,” which portrayed the Finnish writer and politician V. A. Koskenniemi.

During the year, the Museum organized guided tours, work demonstrations, workshops, public lectures, seminars, and presentations in the Museum’s theater as well as a multivision production about Eero Erkkö. The Museum’s staff also lectured at events arranged by other cultural and educational units.

The Päivälehti Archives preserve the historical archives of the Sanoma Group. The most significant collections are the minutes of the company’s business meetings and board meetings, the archives of the *Helsingin Sanomat* and *Ilta-Sanomat*, the magazine collections, and the WSOY archives containing authors’ correspondence and publishers’ contracts. There are currently 3,657 meters of shelf space containing documents in the collections of the Päivälehti Archives.

During the year 2010 the staff in the Archives concentrated especially on planning for electronic archiving. In December the test use of the M-Files program was begun. The program is able to store both digitized paper archives as well as electronic collections.

The Päivälehti Archives have continued microfilming and digitizing its archival materials. During the reporting period the entire Eero Erkkö Archive was microfilmed and digitized.

The interviews continued with Sanoma Group’s retired employees, collecting their stories of working life, and at the end of the year interviews with the personnel of WSOY were begun.

The cooperation of the Päivälehti Museum and the Päivälehti Archives continued on the Sanoma Group’s Sanoma Memory Project, an effort to preserve the company’s heritage and benefit from it.

On 22 April the Päivälehti Archives celebrated its twentieth anniversary. Over one hundred guests participated in the occasion.



SANOMA'S ENGINEER JAAKKO RAURAMO HAS BEEN TURNING A FAMILY BUSINESS INTO AN INTERNATIONAL MEDIA COMPANY

The media are living through a crucial time, says Jaakko Rauramo, the Chairman of Sanoma's Board of Directors and a board member of the Helsingin Sanomat Foundation.

In his view, new reading applications can be decisive in whether everything on the Internet will continue to be free or whether media companies will begin to be paid for electronic publication of their content.

If electronic content begins to yield revenue, that, according to Rauramo, will be a stabilizing and beneficial development for the media.

"But if some publisher's nerves give out or if, for example, the Finnish Broadcasting Company YLE publishes so much free content that the chances for other actors are weakened, then there will be a crisis," Rauramo says.

By Rauramo's estimate such a crisis would destroy around 50 percent of the media's revenues.

"Thereafter the Finnish media world would be a lot smaller. Sanoma would continue to exist, but many smaller media companies would disappear," Rauramo speculates.

However, he believes that payment for web content is inevitably in the cards. According to Rauramo, the condition of payment is that the public will be able to rely on getting higher quality content than that which is available for free on the Internet.

Helsingin Sanomat was the first Finnish newspaper to publish iPad-versions for a fee soon after Apple's electronic reading device went on sale in Finland at the end of last year.

In Rauramo's opinion *Helsingin Sanomat's* iPad-version is an "excellent beginning": "It is easy to use and clear, and the pictures are wonderful."

He reminds that elements of the reading device applications that are not available to the printed newspaper, such as videos, still have to be developed for the iPad-version.

Rauramo also uses the iPad as a web browser, and, when he is not at his desk at work, he uses it for such things as reading his e-mail. However, he prefers to read *Helsingin Sanomat* in the paper version. “When you are travelling, the iPad is, of course, unbeatable.”

In addition to the reading device another wave of change is revolutionizing Finnish newspapers, namely, tabloidization.

In Britain and other Nordic countries, for instance, a number of papers have changed their formats from the traditional broadsheet to the smaller tabloid, which is half as large. The change is also being considered by *Helsingin Sanomat*.

For Rauramo, the format of *Helsingin Sanomat* is not a strategic issue; rather it is purely a question of economics.

“I don’t have anything for or against the tabloid format. There is no miracle cure for a newspaper, even if its size changes,” says Rauramo.

Jaakko Rauramo tells about the outlook in the illustrious meeting room of the Sanoma Group’s Board of Directors in Helsinki’s Erottaja district. He will be sitting in the chairman’s place in this room until at least the year 2012.

He tells of his interests in keeping fit, hunting, and reading. At the moment *The Curse of the Mogul: What’s Wrong with the World’s Leading Media Companies* is sitting on his bedside table, a multi-author American book that sharply criticizes the world’s leading media giants. The authors discuss why media moguls like Rupert Murdoch have succeeded in building reputations for producing a brilliant and creative industry, even if the results are far from brilliant.

The book appears to have put Rauramo in a good mood. “Now I know what we have succeeded in doing right,” he says with a smile.

Rauramo himself has become a media mogul – at least by European standards. In the year 1966, having just graduated with a degree in engineering, he became a production engineer for Sanomaprint, a division of Sanoma Group’s predecessor, the Sanoma Corporation. He advanced through the positions of Production Manager and General

Manager of the Printing Division and Executive Vice President of the Sanoma Corporation to become President and COO of Sanoma Corporation in the year 1984 and President and CEO in 1997. In 2001 he was elected Chairman of the Board of Directors.

Rauramo has been a central figure in the events that have turned a family-owned newspaper, founded in 1889, into an international, publically listed company. Today Sanoma competes with the Swedish corporation Bonnier for the title of the largest media company in the Nordic countries.

Internationalization took off for the company when the newspaper publisher Sanoma, the book publisher WSOY, the magazine publisher Helsinki Media, and the holding company Devarda merged to become SanomaWSOY on 1 May 1999. On the same day the company was listed on the Helsinki stock exchange.

“Together we began to consider what kind of company we wanted to build,” Rauramo says. In addition to CEO Rauramo, there was Aatos Erkko, then the Chairman of the Board of Directors, as well as the top leadership at SanomaWSOY.

“We wanted to double the turnover and increase our foreign operating portion to 20 percent.”

The group realized that magazines were the area that the company could expand to Europe.

“We heard that VNU, the Dutch business magazines operation, was for sale. They were asking over two billion euros.”

However, the Finns felt that the price was way too high.

In the year 2001 the Internet bubble burst in the United States and Europe. Stock prices plummeted. VNU’s asking price fell to 1.6 billion euros.

The banking firm of Goldman Sachs, which was serving as the adviser to the Finns, proposed that a private equity investor be taken on in order to finance the deal.

“We almost agreed. We had never encountered equity investors before. These people were really clever, aggressive, and mean. Again we were quite innocent.”

According to Rauramo, the experience was good training. “We

learned to do our homework really well. We also learned not to have anything to do with those characters if we could help it.”

In the end Rauramo and his partners bought VNU for 1.25 billion euros in the summer of 2001.

At that time the unprofitable online publishing company Ilse Media also belonged to VNU. “We said we didn’t want it.”

Already in SanomaWSOY different kinds of Internet products had been tried. “Good ideas, but ten years too soon,” says Rauramo.

VNU, however, persuaded SanomaWSOY to buy Ilse Media by promising to lower the price by 20 million euros. Today Ilse Media is valued at several hundred million euros.

The VNU deal created the geographical basis for the current Sanoma Group. Today the firm operates in more than twenty countries. At the beginning of the year, Harri-Pekka Kaukonen took over as CEO.

Magazines continue to be the firm’s largest area of activity, accounting for 40 percent of the 2.8 billion euros in sales generated by the company.

A second front for internationalization is learning materials. This area took off in 2004, when Malmberg Investments, the publisher of learning materials in Holland and Belgium, was purchased.

What does Rauramo consider his greatest success?

“If we have been good anywhere, it has been in integrating new business activity into the company. That is our strategic strength,” says Rauramo. The introduction of the name Sanoma, which was adopted in the year 2008 and works well in different languages, reinforces the unity.

“We have a good and loyal corporate culture, which we also have succeeded in transferring to the learning materials operation. And we have been able to use the local cultural resources,” says Rauramo.

And what would Rauramo have done differently?

“A big strategic issue is that we should have gone deeper into the Internet sooner, already at the beginning of the 2000s,” he says.

Why did they not do so? Rauramo mentions the bursting of the Internet bubble in the year 2001 as the reason.

“Things exploded in a violent way. Afterwards everybody had an Internet hangover,” he says.

The electronic business operations are Sanoma's most rapidly growing area of business, expanding around 20 percent annually. The goal is to have a turnover of 240 million euros by the year 2012.

According to Rauramo, the current challenge is to find the means to earn revenue through the Internet and then build this into a business activity.

In the print paper the price of advertising is determined by how many pairs of eyes see it. On the Internet the price is determined on the basis of how many clicks an ad receives, for example. The highest prices can be asked for advertisements that lead the customer to purchase something.

According to Rauramo, the kinds of models that work best on the Internet are those in which the search term is combined with advertising.

"The search function is the computer's strength," he says. On the other hand, according to Rauramo, on the Internet the content providers have "strange competitors" vying for advertisements.

"For example, the search engine Google is not one of the media," he points out.

"But if we can set a price for net content, then all those who use stolen contents on the Internet will fail," he adds.

Rauramo thus appears to be the kind of mogul who has avoided the curse. And ultimately, the authors of *The Curse of the Mogul* themselves consider the grim predictions of the death of the media to be misleading: nothing indicates that either consumers or professionals want less of the media. Quite the opposite. The media, which reach us everywhere and which we can reach from anywhere and all the time, compel us to spend still more of our waking hours with some type of media application.

"I am completely confident in our future," says Jaakko Rauramo.

Katri Kallionpää

The author is the financial editor for Helsingin Sanomat.

Jaakko Rauramo is the chairman of the Board of Directors of Sanoma Oy. He has been a member of the Helsingin Sanomat Foundation's Board of Directors since the founding of the organization, in the year 2005.

GRANTS AND FELLOWSHIPS

During the 2010 reporting period, a total of EUR 4,355,576 in grants and donations was awarded to 26 projects. The Foundation processed 138 applications, whose total sum was EUR 11,672,077. Grants totalling EUR 27,758 were withdrawn.

The awards were announced to each of the applicants personally. In addition the awards were posted on the Foundation's web pages (www.hssaatio.fi).

During the time it has been operating, the Helsingin Sanomat Foundation has distributed grants and donations in the amount of EUR 18,752,112 to a total of 163 projects. In addition the Foundation has supported the renovation of the Päivälehti Museum's permanent exhibition with 1 million euros. During the entire period of operations a total of EUR 173,957 in grants has been retracted.

At its strategy session held in the fall, the Foundation's Board of Trustees reviewed the criteria for awarding grants. The Foundation especially supports research related to communication and the communications industry which is aimed at forecasting the future as well as research that promotes the development of innovations in the communications industry. In addition the Foundation supports the internationalization of post-doctoral researchers in communications and journalists.

The Board of Trustees also published the criteria for evaluating grant applications. The essential points are the importance of a subject to the field of communications, the content of a project, the results expected and their significance, the research plan, and the methodology used together with the financial plan and the applicant's professional qualifications.

For the year 2011 the Foundation has reserved 5 million euros for grants and journalists' fellowships.

*The Helsingin Sanomat Foundation
innovation contest*

UUTISRAIVA AJA

The contest seeks ideas for improving and renewing the distribution of information. The idea can be a new way to publish online, for example, or a new revenue model for publishing content.

350,000 €

*The Communication Research Centre (CRC)
at the University of Helsinki
and the Aalto University Media Factory
Head of Research, Janne Matikainen*

MOBILE SOCIAL MEDIA
AND MEDIA ORGANIZATIONS

The aim of the project is to examine the role of the social media in the operations of media organizations, particularly in situations in which the consumption and production of social media are increasingly mobile.

345,768 €

*The Communication Research Centre (CRC)
at the University of Helsinki, the Center for
Knowledge and Innovation Research (CKIR)
at the Aalto University School of Economics,
and the Institutions and Social Mechanisms
program (IASM) at the University of Turku
Professor Pekka Aula (CRC)*

MEDIA2: FUTURE MEDIA DYNAMICS

In Media2, the effect of corporate reputations and media brands on audience content consumption are studied. The project compares the reputational mechanisms of traditional media corporations and their media brands to those of newly emerging aggregate media corporations. The approach combines communication research methods with psycho-physiological measurements.

300,000 €

*The Aalto University School of Economics
Professor Johanna Moisander*

STRATEGIC CHALLENGES OF THE MEDIA
INDUSTRY IN CONVERGING MEDIA MARKETS

This research project focuses on the strategic challenges that media convergence creates in organizations in the Finnish media industry, particularly in the large corporations that operate in the field of cross-media business.

300,000 €

*The Journalism Research and Development
Centre at the University of Tampere
Professor Mikko Lehtonen*

NEW READING COMMUNITIES,
NEW MODES OF READING

The project investigates how contemporary forms of reading, the reception of texts, and reader production are transforming reading into something new. In other words, the project examines the transition from individual reading to communal forms of reading and writing.

280,000 €

*The University of Helsinki and the Department
of Information Studies and Interactive Media
(INFIM) at the University of Tampere
Professor Kai Ekholm*

FREEDOM OF SPEECH AND CENSORSHIP
IN THE AGE OF NETWORKING

The research project focuses on the transition from classic censorship to the control of privacy in the Internet age and on the development of infrastructures for gathering information.

250,000 €

*The Journalism Research and Development Centre
at the University of Tampere*
Professor Risto Kunelius

MAPPING AND UNDERSTANDING
SUSTAINABLE BUSINESS MODELS
FOR JOURNALISM (SUBMOJOUR)

An open database is being created to support the research and development activities in the field. The project is based on the idea that an open database will help new journalistic innovations to spread rapidly and effectively to the entire sector. Thus, it will also help small businesses, which do not necessarily have the resources for their own research and development activities.

232,600 €

*Organizational Communication and Public
Relations, the Department of Communication
at the University of Jyväskylä*
Vilma Luoma-aho, Ph.D.

WHAT IS EXPECTED OF THE MEDIA
IN A REPUTATION SOCIETY?

The aim of this research is to determine whether the media (and through them, media corporations) suffer from a legitimacy gap and to find ways to deal with the various stakeholder expectations.

200,000 €

*The Communication Research Centre (CRC)
at the University of Helsinki*
Mervi Pantti, Ph.D.

AMATEUR IMAGES: A COMPARATIVE
STUDY OF HOW USER-GENERATED
CONTENT IS SHAPING JOURNALISM

This comparative research project strives to provide an empirically-grounded understanding of how major news organizations and their audiences are responding to the growing availability of citizen-produced imagery.

191,500 €

Lappeenranta University of Technology
*Professor Hanna-Kaisa Ellonen
and Professor Ari Jantunen*

WHAT DRIVES INNOVATION IN THE
MAGAZINE PUBLISHING INDUSTRY?

The research project seeks to map the organizational factors that drive (or hinder) innovations in magazine organizations. It also explores the practices related to innovations and the effectiveness of innovation activities in different market areas. It seeks answers from cross-cultural survey research, using data from three different market areas (Finland, Eastern Europe, and Central Europe).

184,861 €

*The Communication Research Centre (CRC)
at the University of Helsinki*
Tuomo Mörrä, Ph.D.

THE PRIVILEGE OF JOURNALISTS
TO USE CONFIDENTIAL SOURCES

The project focuses on the right of journalists to use confidential sources without being forced to identify them. The aim of the study is to find the normative justifications for this privilege in law and in ethical codes and evaluate how the use of this privilege has changed over time.

168,000 €

*The Journalism Research and Development Centre
at the University of Tampere*
Esa Reunanen, Ph.D.

EXPERIENCING POLITICAL PUBLICITY

The study examines what factors make public participation meaningful and what kinds of risks are involved. Thematic interviews will function as the main methodological instrument in the study. The interviewees will include both well-known politicians and persons who participate actively in public discourse outside their professions or positions of trust.

136,000 €

*The Journalism Research and Development Centre
at the University of Tampere
Katja Valaskivi, Ph.D.*

FASHION BLOGS AS PLACES OF
MARKETING AND STATUS BUILDING

The study examines fashion and lifestyle blogging as well as Finnish fashion bloggers and attempts to answer the question of what blogging means to these actors. Why do young people blog and/or follow blogs, and what are their goals and motives?

131,300 €

The University of Tampere

PROFESSOR OF MEDIA EDUCATION 2010–2015

The aim is to strengthen the research into media education for make the University of Tampere the center of media education studies and academic media research in Finland.

130,000 €

*Center for Innovation and Communication,
Stanford University, Palo Alto, California
Kaarina Nikunen, Ph.D.*

Post-doctoral research

CREATIVE JOURNALISM:
DIVERSITY AND PARTICIPATION

The research project explores the ways in which the social media participate in the construction of the public sphere. It maps out the platforms of the social media and innovation journalism that provide creative social discussion and debate or the convergences of such discussions. The research also maps various journalistic platforms that make use of the social media together with discussion forums and various kinds of civic participation.

105,000 €

*The Journalism Research and Development Centre
at the University of Tampere
Mari Maasilta, Ph.D.*

IMMIGRATION-RELATED POLITICAL DEBATE
IN THE PARLIAMENTARY ELECTIONS OF 2011

The project aims to examine immigration-related political discussions during the 2011 parliamentary elections and analyze the immigration-related issues as represented in the traditional media and the social media.

93,000 €

*Tanja Aitamurto,
M.A., M.S., and Licentiate in Philosophy
Doctoral dissertation*

at the University of Tampere

COLLECTIVE INTELLIGENCE IN JOURNALISM

In this dissertation the impact of collective intelligence on journalism will be examined. The research will analyze the impact of collective intelligence on journalistic practices, the work of the journalist, and the revenue models for journalism. The author will also explore how media companies can apply the principles of open innovation in their research and development. She will examine how the concept of open science can be used in the field of journalism research.

84,000 €

*The Journalism Research and Development Centre
at the University of Tampere
Kaarina Nikunen, Ph.D.*

Post-doctoral research

GIRLS' MAGAZINES AS SPACES
OF MEETING AND INTERACTION

This study examines magazines that target teenage girls and the multimedia reader relationship as a part of the magazine publishing field. In particular, the aim is to study the readers'/users' interactions and communal activities, both in magazines' print and their online versions.

80,000 €

Utrecht School of the Arts, Utrecht, The Netherlands
Tanja Silvonen, Ph.D.
Post-doctoral research

PLAYFUL DISPOSITIONS: UNDERSTANDING
SOCIAL PLAY THROUGH A PARTICIPATORY
GAME DESIGN FRAMEWORK

This post-doctoral research will explore how
gameplay and social interaction on the Internet
frame and restructure each other.

70,000 €

Tuomas Näveri, M.S.
Doctoral dissertation
at the University of Tampere

JOURNALISTIC WORK PRACTICES IN
GERMAN AND FINNISH PUBLISHING
HOUSES IN THE INTERNET REVOLUTION:
WHAT THEY OFFER EACH OTHER

The aim of the dissertation is to identify workable
and sustainable policies for Finnish and German
publishing houses for use in organizing their
editorial routines and work flows in the time of
the Internet revolution.

63,000 €

Department of Communication,
the University of Helsinki
Professor Hannu Nieminen

THREATS AND OPPORTUNITIES
TO THE BUSINESS OF JOURNALISM
AND ITS ROLE IN DEMOCRACY

This project is Finland's share of an international
research undertaking to provide a comparative
review of the pressures on policies toward and
prospects for traditional business models for
journalism. The aim is to produce a study of new
business models and emerging policy responses
to the current pressures.

48,552 €

Johanna Vehkoo, M.S.
SAVING QUALITY JOURNALISM:
A BOOK PROJECT

The research addresses some of the current issues
that professional journalism is facing in the ra-
pidly changing media environment. In short, the
book will address quality journalism, its alleged
crisis, and what must be done to save it.

29,243 €

New York University Steinhardt School of Culture,
Education, and Development
Kaarina Horst, Ph.D.
Post-doctoral research

FRAMING IMMIGRATION AND
INTEGRATION IN CHANGING JOURNALISM

The study will examine how changes in journa-
lism and online communication shape public
debates on immigration and the integration of
communities of migration.

25,000 €

Finnish Society for Innovation Journalism
INNOVATION CRYSTAL COMPETITION 2011
Each year, the Finnish Society for Innovation
Journalism awards the Innovation Crystal, a
Finnish innovation journalism prize awarded for
a particularly well-written innovation-related sto-
ry published during the previous year in Finland.

4,000 €

Donations

A one-year subscription to *Helsingin Sanomat*
given to the top graduates in Finnish-language
study at every high school in Finland.

86,292 €

Fellowship program

Anssi Miettinen, Saska Saarikoski, Laura Saarikoski, Kaijaleena Runsten
REUTERS INSTITUTE FOR THE STUDY OF JOURNALISM, THE UNIVERSITY OF OXFORD

Reetta Nousiainen
INTERNATIONAL VISITING SCHOLARS PROGRAM, UC BERKELEY, CALIFORNIA

Janne Sundqvist, Marija Skara, Tiina Rajamäki
EUROPEAN JOURNALISM-FELLOWSHIPS PROGRAM, FREIE UNIVERSITÄT BERLIN

Kirsi Crowley, Jussi Jormanainen
M.A. PROGRAM IN SPECIALIZED JOURNALISM, USC ANNENBERG SCHOOL
FOR COMMUNICATION AND JOURNALISM, LOS ANGELES, CALIFORNIA

Zena Iovino, Siri Markula, Mikko Torikka
INNOVATION JOURNALISM PROGRAM, STANFORD UNIVERSITY, PALO ALTO, CALIFORNIA

Annika Damström
WORLD PRESS INSTITUTE, WPI FELLOWSHIP PROGRAM FOR INTERNATIONAL JOURNALISTS

Reetta Rätty
FUDAN UNIVERSITY, SHANGHAI

Donations total	86,292 €
Fellowships total	467,460 €
Grants total	3,801,824 €
All grants and donations total	4,355,576 €

NEWS PIONEER TANJA AITAMURTO FLIES AROUND THE GLOBE TO EXPLAIN HOW SHE SEES THE FUTURE OF JOURNALISM

In the summer of 2007 Tanja Aitamurto was lying in Helsinki's Meilahti Hospital fighting off malaria. The disease had struck during a vacation trip to Africa.

The severe bout of malaria got her to thinking about fundamental questions.

"I had the thought: life can be over. I certainly started thinking about what I would do if I still wanted to do something meaningful with my life."

Had Aitamurto been able to see three years into the future while she was lying there being fed intravenously, she would have been surprised.

Aitamurto, then 30 years old, had done many different things. She had worked in Africa, and she had worked in political journalism for *Helsingin Sanomat* and the Finnish National Broadcasting Company (YLE). But now she left for new territories, both geographically as well as in journalism.

Today Aitamurto lives in California's Silicon Valley as a researcher, an observer, an entrepreneur, a journalist – and a chicken farmer. San Francisco's Mission district is a long way from Keminmaa in Finland's Lapland, where she lived during her school years.

In vibrating Silicon Valley the new media applications of our time are feverishly emerging, and there too Finns' lives are being irrevocably changed by the creation of new techniques and ways of using them.

After all, the headquarters of Apple, Google, and Facebook are there.

From California Aitamurto travels constantly to different parts of the world. As a consultant, she advises clients in Helsinki, Stockholm,



and Paris as well as in California about the kinds of challenges and opportunities that are opening up for today's Internet space age as the media attempt to develop a new stance.

Surprisingly quickly, Aitamurto became a San Francisco media researcher and media expert.

How did she do it? What has she discovered?

The great change took off from a newspaper clipping. Tanja Aitamurto's father cut it from *Ilta-Sanomat* and showed it to his daughter. The clipping reported that the Helsingin Sanomat Foundation had published applications for fellowships for the Innovation Journalism Program at Stanford University in California.

"I was wondering what kind of program this was. Then by chance I met the Foundation's President, Heleena Savela, in the elevator at Sanoma House. The subject came up, and she supported the idea of my applying. Luckily I applied, and luckily, I got into the program."

In February of 2008 Aitamurto began her studies in the Innovation Journalism Program. The instruction was under the direction of Swedish-born David Nordfors, known as the father of Innovation Journalism.

Innovation Journalism follows the creative processes of different products, services, and working methods and evaluates what makes some companies innovative. There is an effort to examine things especially from political, economic, and scientific points of view.

In addition Innovation Journalism is an attempt to find new ways of doing journalism and develop new means of earning revenue.

Through study at Stanford, it became clear to Aitamurto why innovations crop up specifically in Silicon Valley. And then followed working at *VentureBeat*, the technology blog published on the Internet. Work for *VentureBeat* was done on the Internet; in other words, the journalists worked at home, in cafés, at conferences.

"For me this was a new world. I had never been interested in technology in the way an engineer is. It was confusing and it was hard to write about difficult technology-related themes."

However, Aitamurto found a certain growth company that was building an operating system for robots using an open source code.

Her story rose to the top of the most widely read news in the high technology field on the list at *Techmeme*.

After finishing the program Aitamurto stayed in California.

“I realized that journalism is undergoing a huge change: its working methods, publication methods, and earnings models are changing perhaps more rapidly than ever.”

Aitamurto had a sound point of departure for a new career with her fluent skills in English. She had also worked and studied abroad before, in the national news agency in Windhoek, Namibia, for instance. She had conducted research in two areas at the Master’s level: in the Finnish language and in social science. In 2005 the work she did for her licentiate degree in journalism was accepted at the University of Jyväskylä.

The end of the year 2008 was the hardest test in Aitamurto’s new life because she had to find a place in her new surroundings. In addition she had to create the means to make a living. Silicon Valley is an expensive place to live.

“All of my money went for the 1,270 dollars in rent. I ate oatmeal three times a day. Returning to Finland began to look tempting.”

It is easy to see that Tanja Aitamurto is determined and, above all, efficient. Her motto is “For everything there is a season.”

“I wrote articles, I lived on my savings, and I got support from my parents.”

Aitamurto had an inner drive to go still deeper into Silicon Valley’s innovation world.

She built a network and began writing blogs for the Internet journal *The Huffington Post* and for *Helsingin Sanomat*. Last summer in the garden of her residence Aitamurto started a chicken farm. “My roommate and I got chickens because we wanted to use the space in our backyard to raise fowl.”

Now motley chickens of every hue run around free in the thick vegetation. Unquestionably, these are very happy chickens.

In the spring of 2009 Tanja Aitamurto’s career as a researcher picked up when she began to write a report for her Helsingin Sanomat Foundation grant with the title “Ten Claims about the Death of Journalism – and Why It Is Not Worth Worrying About Them”.

The claims include the assertions that no one will pay for journalism; journalism is not financed with Internet advertising; the social media are replacing journalism; objectivity is gone; and editorial offices are disappearing.

A great deal about Aitamurto speaks of her conclusion that the downfall of journalism is not worth worrying about, even though in the United States, for example, hordes of journalists have been let go.

Aitamurto, however, is one of those people who look on the bright side of things and hold on to that view. Her report says that there will still be a demand for quality journalism in the future and that quality journalism will be paid for on the Internet.

According to Aitamurto's thesis, the media are diversifying on the Internet; apart from stories and advertisements, revenue is coming from sales on netshops and organizing functions. Content is also being sold to other publications, while in addition funding is being sought from sponsors.

Journalists are collecting money on the Internet in order to implement their writing ideas. This is what is known as crowdfunding. When the text is ready, it is then published in a newspaper, for example.

In June of 2010 Aitamurto presented her research about crowdfunding at Stanford's Conference on Innovation Journalism in Palo Alto, California. Her paper was selected as the best scientific presentation.

She has certainly been a favorite guest to ride shotgun in David Nordfors's Innovation Journalism Program. These days she is paid as a consultant for his program as well as for another program at Stanford University.

The pace of Aitamurto's life has accelerated constantly. In the summer of 2010 she received a grant from the Foundation for the Development of Journalistic Culture (JOKES) for work on her dissertation, and for the years 2011–2013, the Helsingin Sanomat Foundation has awarded her additional support.

In her dissertation Aitamurto is examining the impact of collective intelligence on journalism, including the effect on journalism's earnings models and on the work of the journalist. In the world of the Internet,

collective intelligence refers to the fact that the net connects a broad swath of people and their combined intelligence, knowledge, and skill.

In America Tanja Aitamurto has achieved a strong position as a researcher and an entrepreneur. The work takes her around the United States and Europe. It was she who brought up the idea of an Uutisraivaaja or News Pioneer contest, which is sponsored by the Helsingin Sanomat Foundation for the purpose of finding new journalistic working methods and successful revenue models.

As an entrepreneur, Aitamurto gives talks and offers consultation services. “For example, I explain how successful business models operate, and I tell about trends in the United States.”

One recent customer has been the Norwegian media conglomerate Schibsted, for whose Swedish newspaper, *Svenska Dagbladet*, Aitamurto worked for a month. In Estonia Aitamurto advised the Eesti Express, the company which owns the *Eesti Päevalehti*, on developing its web services.

And how does she view the future of journalism?

She does believe that the conventional print versions of newspapers are weakening more and more and changing in the direction of providing more and more background.

“I am most familiar with the situation in the United States. Over there people in the future will read journalism on the Internet more than they do today. Functions will diverge. Investigative journalism is done in separate units; the same goes for service journalism. Print newspapers will concentrate more and more on analysis, and the pace of their appearance may slow as the Internet offerings improve,” she predicts.

Jukka Perttu

The author is the Business and Economics Reporter for Helsingin Sanomat.

Journalist Tanja Aitamurto, who holds two Master’s degrees, was the Helsingin Sanomat Foundation’s fellow at the Innovation Journalism Program at Stanford University in the year 2008. She is writing her dissertation on the influence of collective intelligence on the revenue models of journalism and the work of journalists.

FINANCIAL AND INVESTMENT ACTIVITIES

The net income for investment and financial activities totaled EUR 10,329,800 (*eur 49,486,264 in 2009*). The income of EUR 6,019,218 (*eur 6,591,666*) was largely accounted for by the Sanoma Group's dividend income of EUR 4,561,256 (*eur 5,401,413*) and the pay-out of mutual funds in the amount of EUR 1,197,047 (*eur 1,007,324*). Changes in the investment value of EUR 4,310,582 (*eur 45,615,189*) was made up chiefly of the reversal of previous write-downs of the value of the Sanoma Group shares.

The book value of the Sanoma Group's shares was fixed at the end of the year 2006, when the Helsingin Sanomat Foundation was formed by the merger of Helsingin Sanomat's Centennial Foundation with the Päivälehti Archives Foundation.

Actual operating costs during the year were EUR 6,567,803 (*eur 4,872,909*), of which EUR 4,406,904 were for grants and fellowships (*eur 2,842,626*). During the reporting period EUR 839,836 were paid in salaries and wages (*eur 763,791*). The Foundation received a total of EUR 100,000 in donations as well as a grant of EUR 30,281 for arranging the archive of author correspondence for the Päivälehti Archives, of which EUR 13,360 was income from the previous year. (In the year 2009 donations received amounted to EUR 150,000 together with a grant of EUR 20,000, of which EUR 6,640 was entered as income.)

The surplus for the reporting period was EUR 3,861,997 (*eur 44,613,356*). On the balance sheet the Foundation carries a debt of EUR 5,379,957 (*eur 5,081,203*), of which unpaid grants account for EUR 4,832,619 (*eur 4,893,985*).

At the turn of the year the market value of the Foundation's assets was EUR 145.4 million (*eur 138.5 million*). The share of listed equities of the portfolio was 89% (85%), properties were 5% (5%), and fixed income investments were 6% (10%). The portion of Sanoma shares of the total assets was 64% (65%). During the year no material changes in asset allocation were made.

The market return of the securities portfolio in 2010 was 10.1% (61.2%). The return on Sanoma shares was 8.3% (87.4%), and the return on other investments was 13.8% (19.7%).

The management of funds and investment activities has been conducted according to the Board of Trustees' accepted investment policies, and matters connected with investment activities have been handled by the Foundation's Finance Committee.

The goal of the Foundation's investment activities is to preserve and increase the capital over the long term as well as to ensure the continuation of the core activities through a stable cash flow and sufficient liquidity. Given the long-term nature of the investment strategy, the equity allocation is high. The development of the domestic and international economic situation affects the Foundation's investments. The risks of investment activities are connected to the development of the market value of the Sanoma Group's shares over the longer term and the company's ability to pay out dividends as well as to the general development of financial markets and the economy.

The accounting and cash management services of the Foundation were provided by the Financial Shared Services Center of the Sanoma Group.

INCOME
STATEMENT

In Eur	1.1.-31.12.2010		1.1.-31.12.2009	
REGULAR OPERATIONS				
<i>PROMOTION OF RESEARCH ACTIVITIES</i>				
Income				150 000
Expenses				
Grants distributed	3 971 484		2 566 995	
World Congress of the International Press Institute			250 000	
Uutisraivaaja project	376 887			
Donations	86 292		72 780	
Returned grants	-27 758		-51 699	
Share of personnel expenses	186 373		175 318	
Depreciation	9 628		12 568	
Other expenses	179 672	4 782 577	179 975	3 205 938
Deficit for research activities		-4 782 577		-3 055 938
<i>MUSEUM AND ARCHIVE ACTIVITIES</i>				
Income		54 435		18 197
Expenses				
Grants			4 550	
Share of personnel expenses	780 875		695 440	
Depreciation	109 068		114 170	
Other expenses	884 137	1 774 080	960 875	1 775 035
Deficit for Museum and Archive activities		-1 719 644		-1 756 838
<i>OVERALL EXPENSES</i>				
Income				270
Expenses				
Personnel expenses	1 002 049		902 433	
- transferred for operations	-967 248		-870 758	
Depreciation	1 926		2 514	
Other expenses	28 854	-65 581	26 215	-60 403
Total deficit		-65 581		-60 133
Expense Deficit		-6 567 803		-4 872 909
FUNDING				
Income		100 000		
Income Surplus		100 000		0
INVESTMENT AND FINANCIAL ACTIVITIES				
Income		6 019 218		6 591 666
Change in value		4 310 582		45 615 189
Expenses				-2 720 590
Income Surplus		10 329 800		49 486 264
Surplus/Deficit for yhe Year		3 861 997		44 613 356

The accounting information given in the Annual Report is an abridged statement.
The statement presented here does not include all of the bookkeeping information.
Figures are presented to the nearest euro.

BALANCE SHEET

In EUR	31.12.2010		31.12.2009	
ASSETS				
<i>NON-CURRENT ASSETS</i>				
Intangible assets				
Intangible rights	5 387			
Other long-term expenditures	327 325	332 712		342 593
Tangible assets				
Machinery and equipment	147 282		194 657	
Other tangible assets	1 440 850	1 588 132	1 440 850	1 635 507
Investments				
Other stocks and shares		99 113 647		96 490 925
Non-Current Assets Total		101 034 491		98 469 025
<i>CURRENT ASSETS</i>				
Inventories		5 376		6 181
Receivables				
Current				
Other receivables	18			
Accrued income	235 276	235 294	277 372	277 372
Securities		41 986 017		40 400 134
Cash and cash equivalents		164 648		146 670
Current Assets Total		42 391 335		40 830 358
Assets Total		143 425 827		139 299 383
LIABILITIES				
<i>CAPITAL</i>				
Restricted capital				
Fund capital		1 000 000		1 000 000
Unrestricted capital				
Usage capital		145 786 455		145 786 455
Surplus/deficit for previous periods		-12 664 955		-57 278 311
Surplus/deficit for current period		3 861 997		44 613 356
Total Capital		137 983 497		134 121 500
<i>LIABILITIES</i>				
Current				
Trade payables	37 005		65 621	
Other liabilities	25 366		31 058	
Accrued expenses	5 379 957	5 442 329	5 081 203	5 177 882
Total Liabilities		5 442 329		5 177 882
Liabilities Total		143 425 827		139 299 383

The accounting information given in the Annual Report is an abridged statement.
The statement presented here does not include all of the bookkeeping information.
Figures are presented to the nearest euro.

ADMINISTRATION AND PERSONNEL

The Board of Trustees and the President

The Foundation's Board of Trustees consisted of Janne Virkkunen, Chairman; Paavo Hohti and Reetta Meriläinen, Vice Chairmen; and members Jaakko Rauramo, Reetta Rätty (1 January – 8 October 2010), Matti Sintonen, and Liisa Välikangas. The Board's first deputy member was Merja Karhapää, and the second deputy member was Jyrki Ali-Yrkkö. Ulla Koski, the Vice President of the Foundation, served as the Secretary of the Board.

The Board of Trustees convened three times during the reporting period. In February the Board members visited the Reuters Institute in Oxford to get acquainted with the training program for journalists, which is supported by the Foundation. In addition the Board held a Strategy Day at the beginning of the fall.

Heleena Savela served as the President of the Foundation.

The Working Committee

The Working Committee prepares matters to be considered in upcoming meetings of the Board of Trustees. The members of this committee were Janne Virkkunen, Chairman, Paavo Hohti, Reetta Meriläinen, and Heleena Savela. Ulla Koski served as the Committee Secretary. The Working Committee met three times during the reporting period.

The Finance Committee

The task of the Finance Committee is to prepare investment strategy and report to the Working Committee and the Board of Trustees on investment management. In the year 2010 Nils Ittonen served as the Chairman of the Finance Committee. The other members were Reetta Meriläinen, Heleena Savela, and Matti Sintonen. Ulla Koski served as the Committee Secretary. The Finance Committee met five times during the year.

The Scientific Committee

The task of the Scientific Committee is to assist the Board of Trustees in evaluating grant applications. The members of the Scientific Committee were Professor Colin Sparks of the University of Westminster in London, Professor Thorsten Quandt of the University of Hohenheim in Stuttgart, and Dr. Hanna Rajalahti, the managing editor of

the newspaper *Talouselämä*. Representing the Foundation on the Committee were Paavo Hohti, who served as Chairman; President Heleena Savela, and Vice President Ulla Koski, who served as secretary.

Personnel

At the beginning of the year the Foundation had 12 full-time employees and four others working as needed. At the end of the year there were 11 full-time employees with five others working as needed.

The entire staff participated in the year-long “Competent Experts” training program, organized by AAC Global. In the course of the program the Foundation’s procedures were discussed as were opportunities for increasing cooperation, and group work was done on development objectives for the Foundation’s operations.

The Foundation functioned in three different office spaces: Sanoma House, where activities were concentrated on the Foundation’s grant operations; Korkeavuorenkatu, where the Päivälehti Archives are located; and Ludviginkatu, where the Päivälehti Museum is situated.

Auditors

Johanna Perälä, CA, and Samuli Perälä, CA, served as auditors, and Juha Tuomala, CA, and Henrik Sormunen, CA, were the deputy auditors.

Board of Trustees 2010, from the left: Janne Virkkunen (Chairman), Reetta Meriläinen (Vice Chairman), Liisa Välikangas, Matti Sintonen, Jaakko Rauramo, and Paavo Hohti (Vice Chairman).





RESEARCHER OF A REVOLUTION IN THORSTEN QUANDT'S OPINION JOURNALISM SHOULD BE REDEFINED

The family man, age 39, is highly educated and has a good position at a university; he works at home as much as his wife does. Work and family are the fundamental pillars of Professor Thorsten Quandt's life. The hurry-up of days filled with the morning routines of little boys and driving to daycare and to school: cereal and milk for the breakfast bowls, sports equipment from the cabinet, clothes on, teeth brushed. There isn't any time to read the morning paper, the professor says. This is the dread of the newspaper media: an educated citizen who does not subscribe to a single newspaper!

"I've done the same thing that surely a lot of other people have done: I've realized that I can live without a newspaper," Quandt explains at his place of work at the University of Hohenheim in Stuttgart in southern Germany.

"I've moved so often in recent years that newspaper subscriptions have become a lot of trouble," Quandt says that, right now, he is considering subscribing to a weekly, but points out that the kinds of things in the weeklies can be found in abundance on the Internet – and for free.

"You can get long and in-depth articles from the web pages of different media."

In his working life Quandt has quite enough reading to do.

He is a member of the Scientific Committee of the Helsingin Sanomat Foundation, which means that, along with other committee members, he evaluates the grant applications that are submitted to the Foundation. He is thus influencing which researchers or actors in the media field are being awarded grants.

The young professor is the Vice Director of the Institute of Communication Studies at the University of Hohenheim. In his office, of course, the media are all around: *Spiegel Online*, *tagesschau.de*, Facebook, and Facebook's German competitor, StudiVZ.

Even though Quandt does not subscribe to any newspapers, he still lives right in the middle of his field of research. His dissertation, completed in the year 2004, dealt with the theme of *Journalisten im Netz* (Journalists on the Internet). In contrast to then-current scholarly opinion, his research hypothesis was that Internet journalism will primarily require journalistic skills rather than strong technical know-how. Quandt came to the conclusion that the work of Internet journalists belongs at the core of classical journalism. A fast pace, however, is required, because as a news channel, the Internet is faster than other channels. For his work Quandt received the bi-annual thesis award from the German Communication Association (DGPK).

Before his career as a researcher Quandt had acquired experience as a radio journalist.

"I didn't think that I was very good; otherwise, I would have stayed in the field."

Under Quandt's direction, his research group at the university in Stuttgart, the capital of the state of Baden-Württemberg, concentrates on interactive communication research and online communication research or, in other words, the social media phenomenon.

"It may be the most interesting topic in the field just now," he says.

According to the professor, research in journalism woke up to online communication and other new media a little late. Roughly speaking, researchers jumped on board only after a number of media companies had already admitted that their gigantic investments in the Internet had brought about losses for too long.

According to Quandt, the revolution in the field of communications is interesting in that it looks so different to actors in the field than it does to consumers.

"In the opinion of consumers there is a surfeit of information when all those who can are providing news offerings on the Internet."

Many, of course, just copy news telegrams onto their own web pages. In media companies this practice is known all too well.

“The media companies are living in a world in which editorial offices are becoming smaller and smaller and merging with each other, and the number of journalists is getting smaller as the demands of multi-skill news gathering are escalating.” Twenty years ago there were still 54,000 journalists working in the German communications industry; today there are only 48,000.

Of course, this turmoil shows up in journalism research too.

Research in journalism and its definition used to be simple, because there were only three forms of media: newspapers, radio, and television. One spoke of paper journalism, TV journalism, and radio journalism, and research was done to find out how journalists worked in these various media, Quandt explains.

Currently, the field is so fragmented that, in his view, the concept of journalism should be redefined, depending on the content. What then is journalism?

Quandt uses the micro-blog service Twitter as an example.

“Is a short piece of 160 characters written by a journalist on Twitter really journalism?” He does not have an answer.

“Journalists are measuring the pulse of public opinion on Twitter, but as a publishing forum, is it really interesting?” the professor wonders.

According to Quandt, in Germany doing research in journalism has traditionally meant the investigation of editorial processes or, in other words, how journalists carry out their work, as well as an examination of the content of journalism. But it has less often been a study of the public.

In Quandt’s institute at the University of Hohenheim, the concentration is on the public – even on those who play on the web.

Opposite the professor’s office there is a laboratory, which is regularly filled with young people playing computer and Internet games. There researchers are studying the players’ reactions and behaviors in different situations.

“Simply put, we are studying how players actually play.”

“What is the social core of journalism? That is one of the central

questions of communications research, and likewise, it is the question that we pose about playing games on the net: what is the social core of game playing on the Internet?”

In the United States the production of journalism by consumers, or people’s journalism, is popular. According to Quandt, in Germany there is a more qualified relationship to that idea, nor is people’s journalism a significant area of research in Germany.

“Media companies want to keep their production in the hands of journalism’s professionals.”

By comparison with the Finns, the Germans are rather reluctant to learn how to use new technological gadgets. It shows up in the young media professor too.

His institute acquired iPads, and Quandt even brought one home. However, he is not really enthusiastic about it, even though he does try to find something interesting there.

According to Quandt, the iPad can quickly end up in a corner gathering dust. “Something new will probably come instead when the dust has settled. You’ll have to wait and see how the market reacts to it in a longer time perspective.”

“It was not such a long time ago that everybody was building houses on the virtual website Second Life, even the state ministries of Baden-Württemberg. Firms like Adidas were thinking of doing business communications there, but now nobody talks about this any more.”

Quandt is strict about how much his own children, 5 and 8, use the Internet. “The boys are not allowed to surf at all. I am especially careful about that.”

They are learning media sociability by playing Nintendo Wii with their father.

“Once a week for half an hour is enough.”

According to Quandt, it is clear that consumer habits have changed fundamentally.

“There is a very clear change in young people’s use of the media. Still some time ago, researchers believed that no single kind of media can substitute for another. But now we see that, for young people, the Internet is mainly taking the place of newspapers.”

The media industry, however, has not been able to decide by what means it will derive income from publishing content on the Internet.

What ultimately will happen to journalism? In Germany the field is no longer at the forefront of young people's dream professions. "That shows a big change. Young people today fantasize about doing business communications and PR."

According to the professor, media companies have sawn off their own branches with their cutting actions.

"When, for example, the public sees that the messages of business actors are getting through without journalists checking or editing them, it justifiably asks whether journalists are really needed."

Politics in Germany and in many other western countries has lost the voters' confidence.

According to Quandt, however, the quality media are not suffering from that lack of confidence, even if societal changes mirror the media and the media are reflecting societal changes.

"One popular basic position toward the media is certainly that they are manipulative. But when you ask a person more specifically what is important, he will say that the media are not manipulating him, but only other people. We call that a 'third person' effect."

According to some people, only the very highest quality products of journalism will survive, such as in-depth reports and analyses. Quandt does not hazard a guess as to what will remain and what will be discarded. In one form or another journalism will tough it out.

"It's not going to vanish," he believes.

Katarina Baer

The author is the Berlin correspondent for Helsingin Sanomat.

Professor Thorsten Quandt is the Vice Director of the Institute of Communication Studies at the University of Hohenheim in Stuttgart, Germany. He has been a member of the Scientific Committee of the Helsingin Sanomat Foundation since the year 2008.

The Board of Trustees' Visit

The Reuters Institute, Oxford, 3-5 February 2010



The Board of Trustees visited the Reuters Institute in order to get acquainted with the post-graduate program for journalists. From the left are Paavo Hohti, Matti Sintonen, Reetta Rätty, Jaakko Rauramo, Reetta Meriläinen, Janne Virkkunen, and Liisa Välikangas.



Heleena Savela and Reetta Meriläinen in the garden of Oxford's Green Templeton College.



Foundation Fellow Johanna Vehkoo tells about her experiences.



Lunch in Green Templeton College with host Colin Bundy, the Principal of the College (standing).

The Newspaper of the Future

The Päivälehti Museum, 9 February 2010



Markku Huusko (at left), editor-in-chief of *Uusi Suomi*, and Riku Siivonen, journalist and the discussion leader.



The occasion, intended for high school students and other young people, drew a large audience.



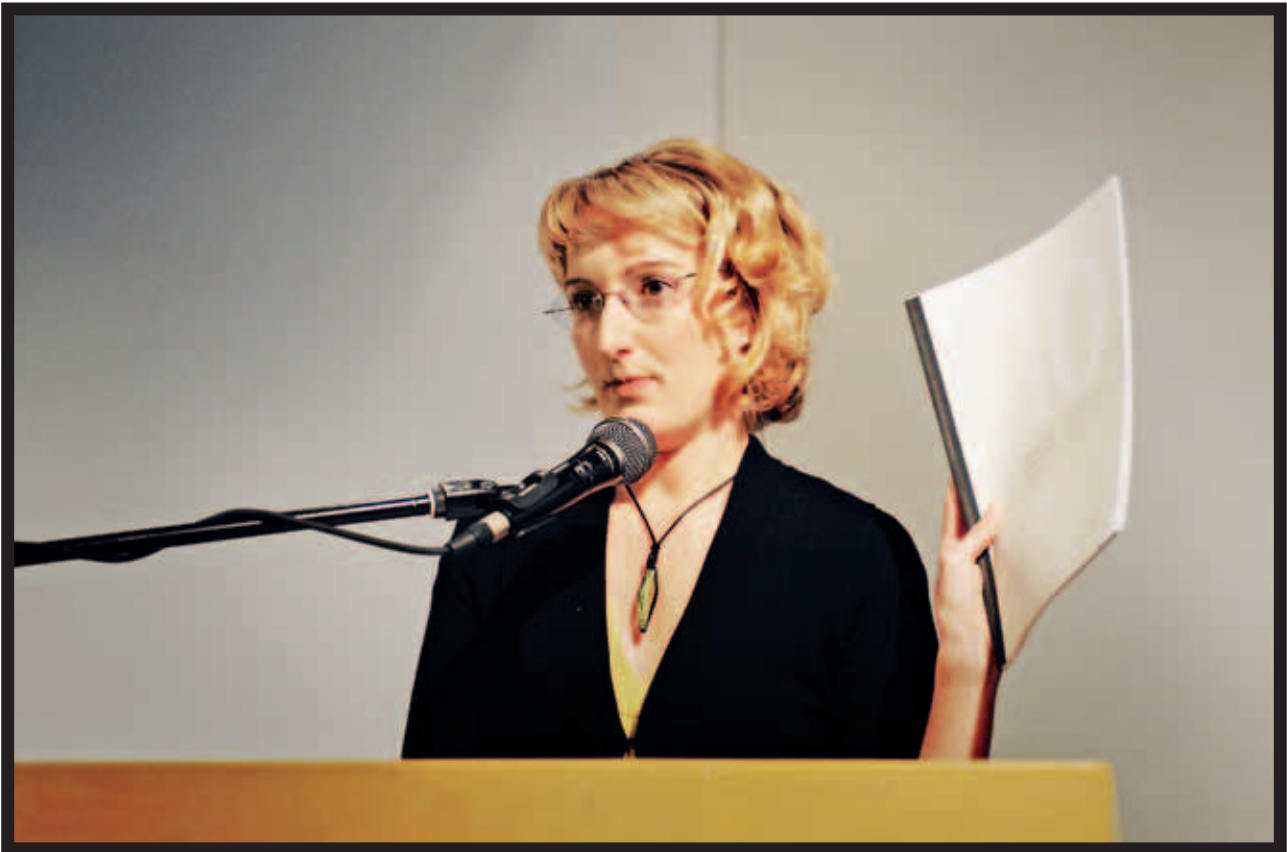
Young students industriously presenting questions to the panelists.



On the panel were (from left) Mikael Pentikäinen, Hanna Rajalahti, and Markku Huusko.

Journalism Trends in the United States Seminar

The Päivälehti Museum, 15 February 2010



The occasion was introduced by the journalist Tanja Aitamurto. During the seminar Aitamurto's report, "Ten Claims About Journalism – and Why It Is Not Worth Worrying About Them", was also presented.



Seppo Kievari, the former publisher of *Helsingin Sanomat*, and Ulla Koski, the Foundation's Vice President.



Tanja Aitamurto and Markku Huusko, the editor-in-chief of *Uusi Suomi*.



The Foundation's President, Heleena Savela, opened the occasion.



Otto Mattsson from Sanoma News (left) and Kari Tervo from Storyhouse Ltd.



Participating in the seminar's panel were Mikael Pentikäinen, CEO of Sanoma News, Mikael Jungner, CEO of Yleisradio, Jyri Engeström, Google alumnus and the founder of Jaiku, and Helene Åuramo, founder and shareholder of Indiedays.com. At right, Tanja Aitamurto.



Ulla-Maaria Engeström, entrepreneur, participated in the event.



Antti Mykkänen, Secretary General of the Foundation for Municipal Development.



From right to left, Liisa Ero, Päivi Tiilikka, Laura Saarikoski, and Heleena Savela.

The Moomin 65 Years – Exhibition Opening

The Päivälehti Museum, 11 March 2010



Hertta Lehtovirta (at left), Hanna Lehtovirta, and Sera Silenti take off on an adventure in the magic forest.



The Moomin Pappa in his beloved sailboat.



Saila Linnahalm, the director of the Päivälehti Museum, delivered words of welcome.



Jaakko Rauramo, member of the Foundation's Board of Trustees, Tarja Halonen, the President of Finland, and Heleena Savela.



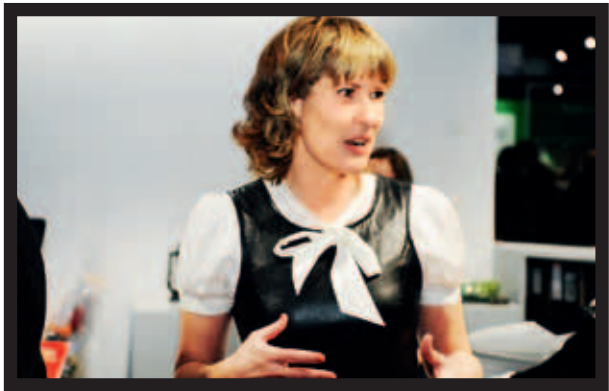
President Tarja Halonen and the Moomin Mamma.



Hertta Lehtovirta has found Mörkö's hiding place.



Tuutikki's rescue balloon flies toward Moomin Valley.



Katriina Kirjavainen, the set designer for the Helsinki City Theatre, planned the hugely popular exhibition.



Sophia Jansson, the CEO of Oy Moomin Characters, Ltd., and the niece of Tove Jansson, enjoyed the whirl of opening events.



Ranja Silenti (at left), Hanna Lehtovirta, and Tuure Airola listen to the sounds of seashells.

The 20th Anniversary of the Päivälehti Archives

The Päivälehti Archives, 22 April 2010



Kyösti Lamminpää, a researcher in the Päivälehti Archives, presents *Ilta-Sanomat*'s news reports of the bombing of Helsinki in 1944 to invited guests.



Pentti Katainen (left), Sanoma Oy's real estate director, journalist Unto Hämäläinen, and Seppo Kievari.



Mikael Pentikäinen, Heleena Savela, and Pekka Anttonen.



Heleena Savela welcomes the guests.



In the spirit of *Päivälehti*, a quartet from Ylioppilaskunnan Laulajat provided a musical welcome on the occasion, consisting of serenades suitable for spring together with the superb *Mieslaulu* with words by J. H. Erkko.



Pekka Anttonen, director of the Päivälehti Archives, told about the origins and history of the Päivälehti Archives.



Jaakko Rauramo, Janne Virkkunen, and Merja Karhapää, a deputy member of the Board.



Art historian Anna Kortelainen was among the 120 invited guests.

The Meeting of the Finance Committee

Sanoma House, 18 May 2010

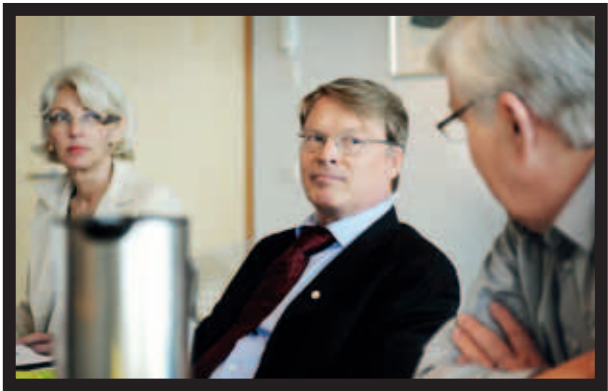
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The Foundation’s Finance Committee on the terrace on the ninth floor of Sanoma House. From left, Matti Sintonen, Ulla Koski (secretary), Nils Ittonen (chairman), Reetta Meriläinen, and Heleena Savela.



Martti Saikku, director of SEB Gyllenberg, reported on the Foundation’s portfolio management.



Ulla Koski, Matti Sintonen, and Janne Virkkunen, chairman of the Board of Trustees.



The task of the Finance Committee is to prepare matters related to investment management for the Board of Trustees.

Eero Erkkö Multivision Production

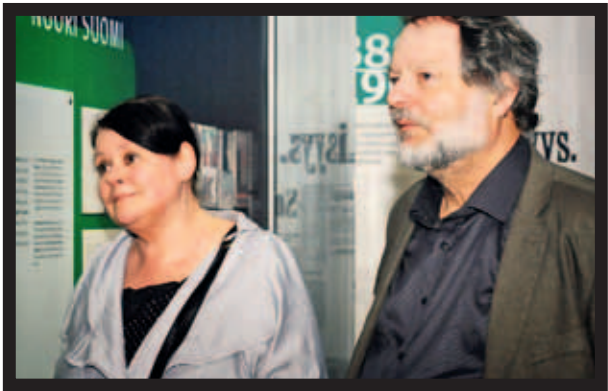
The Päivälehti Museum, 18 May 2010



The year 2010 marked 150 years since the birth of Eero Erkkö, the founder of *Päivälehti*, the predecessor of *Helsingin Sanomat*. To honor the occasion the Päivälehti Museum created a multivision production about Erkkö's life.



Reetta Rätty, member of the Foundation's Board of Trustees, Pekka Anttonen, and Hannes Markkula.



The multivision production was carried out by Sirpa and Douglas Siven of Douglas Production Oy.



Sirpa Siven (left), Päivi Lehtovirta, producer for the Museum, and Salla Linnahalmé, concentrate on the presentation.



Paavo Hohti, Vice-Chairman of the Foundation's Board of Trustees, and Professor Matti Sintonen, member of the Board.

The Meeting of the Scientific Committee

Erottajankatu 6, 1 June 2010



Professor Colin Sparks, a member of the Scientific Committee, and Janne Virkkunen, Chairman of the Board of Trustees.



Paavo Hohti, the Chairman of the Scientific Committee, and Professor Thorsten Quandt, a member of the committee.



Hanna Rajalahti, managing editor and a member of the Scientific Committee, with Heleena Savela and Paavo Hohti.



Heleena Savela, Ulla Koski, and Colin Sparks.

Board of Trustees' Strategy Day

Villa Honkaniemi, 25 August 2010



On Strategy Day the Board of Trustees reaffirmed the guidelines for the Foundation for the years 2010–2020. Vice-Chairmen Paavo Hohti and Reetta Meriläinen and Board member Reetta Rätty.



From the left are Heleena Savela, Paavo Hohti, Reetta Meriläinen, Reetta Rätty, Janne Virkkunen, and Matti Sintonen.



Janne Virkkunen, Jaakko Rauramo, and Matti Sintonen.



Tanja Aitamurto presented the Uutisraivaaja Contest to the Board of Trustees.

Foundation Day

The Päivälehti Museum, 16 September 2010



President Heleena Savela opened the fifth Foundation Day.



Journalist Arto Astikainen, Janne Virkkunen, and Jaakko Rauramo.



Sami Sykkö, editor-in-chief (left), Dr. Liisa Suvikumpu, Paavo Hohti, and Dr. Tuomas Heikkilä.



Students from the Helsinki University's Media and Global Communication Programme.



Researcher Tommi Laitio of Demos Helsinki and Teppo Turkki, communications director of Sitra.



Heleena Savela, Kaius Niemi, editor-in-chief of *Ilta-Sanomat*, and Laura Saarikoski, Sunday editor for *Helsingin Sanomat*. Jaakko Rauramo and Reetta Rätty have their backs to the camera.



Johannes Nieminen (pictured) and Tuomas Siitonen planned the installation for the opening.



Jouni K. Kemppainen and Juha-Pekka Raeste of *Helsingin Sanomat* with Annukka Arjavirta of the magazine *Gloria*.



Henna Virkkunen, Minister of Education, and Heleena Savela, President of the Foundation.

Hacks & Hackers Event

The Päivälehti Museum, 11 October 2010



Jyri Engeström, the founder of Jaiku and Google alumnus, presents his nine service theses.



President Heleena Savela opened the event.



A large, enthusiastic audience came to the event.



Carl-Gustav Lindén, editorial writer for *Hufvudstadsbladet* and a Foundation Fellow at Stanford University in the year 2008.

The Image of Trust Seminar

The Päivälehti Museum, 25 October 2010



In the seminar, the results of a study carried out at the University of Tampere were presented, dealing with readers' trust in news images. Commenting on the research were Arja Alho, editor-in-chief of the magazine *Ydin*, and Sami Kero, photographer for *Helsingin Sanomat*.



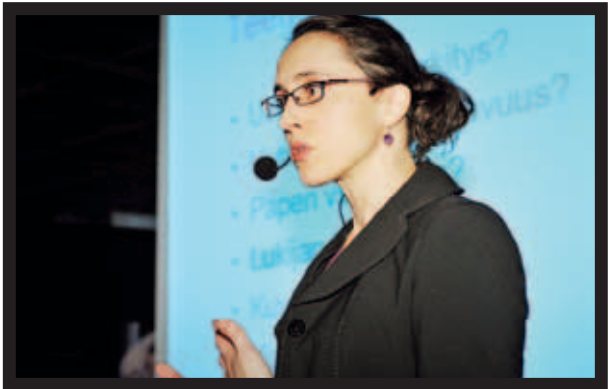
Professor Merja Salo, of the Aalto University's School of Art and Design, served as the chairman of the seminar.



Sirpa Kirjonen, the director of the Finnish Newspaper Association.



The seminar audience listened with interest.



Dr. Liina Puustinen presented the research.

V.A. Koskenniemi Exhibition Opening

The Päivälehti Museum, 11 November 2010



Members of the men's choir Ylioppilaskunnan Laulajat performed at the opening. The exhibition was organized in honor of the 125th anniversary of the birth of the poet V.A. Koskenniemi.



A detail of the exhibition.



The poet's daughter-in-law, Anna-Maija Koskenniemi, and grandson, Professor Martti Koskenniemi.



The critic Pekka Tarkka and Professor Martti Häikiö discussed Koskenniemi.

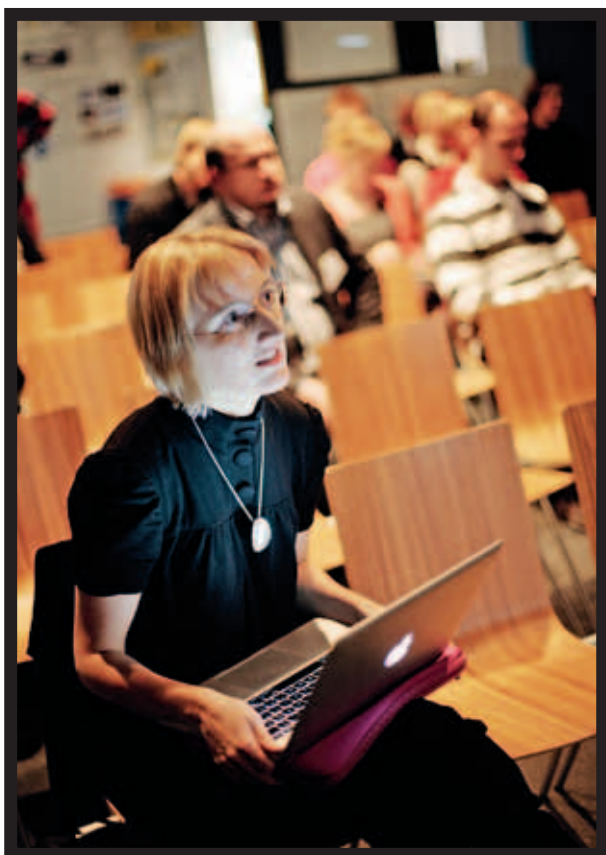
The Open Source Clinic

The Päivälehti Museum, 1 December 2010

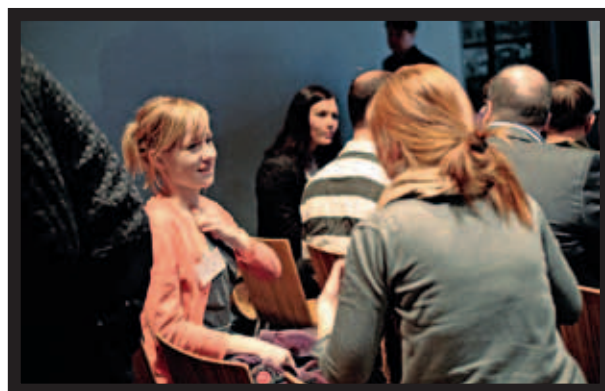
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Lawyer Herkko Hietanen explained the concept of open source code and its use in the Utisraivaaja contest.



Tanja Aitamurto, the journalist who brought the Contest to Finland.



Linda Liukas (left) and Krista Kauppinen of Aalto University.



President Heleena Savela opened the Clinic.

Journalist Fellows Kick-Off

Sanoma House, 12 January 2010



Jussi Ahlroth of *Helsingin Sanomat*, Mimma Lehtovaara of the Finnish News Agency, and Jarmo Raivio, of *Suomen Kuvalehti*, who began their studies at the Reuters Institute in Oxford in the autumn of 2010, pose for a group photograph.



Kristiina Helenius, director of the American Chamber of Commerce in Finland, Heleena Savela, and Salla Nazarenko.



Annikka Mutanen (at left) and Kimmo Lundén, the Foundation's Oxford Fellows, in the year 2008, Ville Blåfield, and Reetta Rätty.



The Foundation's Stanford Fellows for the spring of 2010: Janne-Pekka Manninen, Jukka Perttu, and Matti Posio.



Mimma Lehtovaara is looking forward to her stay at Oxford.

Journalist Fellows Kick-Off

Sanoma House, 9 December 2010



Standing in the staircase of the Sanoma House are Zena Iovino of the Finnish Broadcasting Company, Mikko Torikka of *MikroPC*, and Siri Markula of *Helsingin Sanomat*, who will begin their studies at Stanford in the spring of 2011.



Happy people on the Foundation's premises.



Kimmo Lundén, Saska Saarikoski, and Kaius Niemi. Saarikoski will leave in the fall for Oxford.



Helena Liikanen aspires to go to USC Annenberg, Tiina Rajamäki is leaving for Berlin, and Kaijaleena Runsten for Oxford.



Editor Laura Saarikoski of *Helsingin Sanomat* is leaving for Oxford in the fall.

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Layout Johannes Nieminen / PenttiPulkkaNieminen
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