

A Tech Entrepreneur Turns Local News Publisher

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Peter Thomas is a serial entrepreneur who has founded and run eight tech startups, including a wildly successful venture called Averetek, which he sold five years ago. His latest venture is running [HopNews](https://hopnews.com/), (<https://hopnews.com/>) an online local news site covering Hopkinton, Massachusetts.

Peter took over HopNews from its founder and longtime editor in 2022, and since then he's been fearless in his coverage. His articles have probed the firing of a local police officer, ineptitude in how the town pays its vendors, a local politician's dirty tricks to discredit an opponent, and a cheating ring involving the local high school's brightest and most driven students. His bold coverage has drawn more subscribers to HopNews, including paid subscribers for the first time. And they have spurred plenty of lively debates in certain articles' comments sections.

Because of the payoff from selling Averetek, Peter has the gift of time to experiment with different formulas to make HopNews profitable or at least sustainable. He is taking an entrepreneurial approach to the site, and he is unafraid to try different things and ready to pivot if necessary. If Peter can pull it off, it will be a rarity in community journalism, which has been losing both readers and advertisers to social media over the past two decades. A [Pew Research study](https://www.pewresearch.org/journalism/fact-sheet/local-newspapers/) (<https://www.pewresearch.org/journalism/fact-sheet/local-newspapers/>) showed that advertising revenue in local US newspapers dropped from \$4.6 billion in 2014 to \$1.06 billion in 2020 and subscription revenue dropped from \$2.3 billion to \$1.1 billion in the same period.

In this audio podcast, Peter shares his experiences and the lessons he learned from running his tech firms, his reasons for investing in community journalism, and his strategy and hopes for HopNews. Edited highlights from the podcast are below it.

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His Previous Tech Ventures

Averetek was a channel marketing automation firm. My clients were companies like Cisco, Microsoft, and SAP, and they have these large reseller channels, so they don't sell directly; they'll sell through a reseller channel. These resellers are really good at selling and servicing the product, but they're not so great at marketing and driving demand. That's just something that is better done by the brand [the companies that produced the tech product].

Averetek allowed the brand to create packaged marketing campaigns, and then let the reseller partners launch them with their own logo and their own colors and things like that. We ended up having hundreds of thousands of different companies using the platform every day, customizing it and bringing clients in with it. I started the company in 2000 and sold it in 2019.

While Averetek was wildly successful, my other businesses were only moderately successful, and some were complete failures. I started something like seven businesses before I started Averetek. And I was 26 when I started Averetek. So as you can see, I went



through a lot of iterating in order to get there.

Bootstrapping vs. VCs

I sold Averetek to a private equity company in New York, and they folded us into a portfolio company. I feel very fortunate for a couple of reasons. One, we got paid, which was great. The second thing is that we didn't ever raise money for Averetek: I funded the whole business myself, so I owned all the stock. This has its pros and cons. On the one hand, you can always scale faster with somebody else's money. For the 18 or 19 years, when I was growing Averetek, I was paying for all of it myself. And it's a lot easier to use somebody else's money to do that, but the tradeoff is that you're going to give up equity, and I was stubborn and didn't want to do that. I always felt people might offer you money but nothing else that is going to make your business that much better.

We still paid ourselves along the way, and we had a very nice life. And it was great at the end, when we had all the equity.

Advice to His Younger Self, and to New Entrepreneurs

I never had a formal business background; I just started writing code when I was a kid. As a software guy, I really loved building cool products, but I didn't know how to be a CEO or how to do market research. When you're building a product you can get drunk on your own Kool Aid. You think because you love your amazing product, everyone will love it. And then you take it to the market, or even a small focus group, where you might discover that everybody might think it's a great idea that solves a problem, but not everybody will pay to solve that problem. There's a big chasm between potential customers who like your idea and those who are willing to write you a check for it.

What you're really fighting here is Newton's law: objects at rest tend to stay at rest. So if you want somebody to buy something from you, to pay you for your work, you've got to push with so much force to get people to change what they are doing. And that that is a complicated and difficult task.

Why He Bought a Community News Site

I'm very concerned about "news deserts." Years ago almost every decent-sized town in this country had one

or two papers. Craigslist changed everything because it took away the classifieds, which were how most of these newsrooms were funding their operations. Display advertisers left because the brands want to be where the people are, and social media is where the people are now.

When there is no local news, people turn to cable news and social media. All of those [social media] platforms are essentially optimized for clicks, which means they're optimized for rage. This has had a polarizing effect on our society. I looked at HopNews, which had some stories, an audience, and some advertisers, but it didn't seem to be optimized in my mind. The former owner was ready to retire, and so he and I had a conversation and I bought HopNews from him.

Hopkinton has another newspaper, the Hopkinton Independent, and it is very middle of the road. It's free and goes to every household, and is totally supported by advertisers. I don't have to worry about the same things as they do...I didn't need advertising because my past businesses put me in a position where I didn't need to live off of it. So I could just do anything I wanted, which is kind of liberating.

How Bolder Reporting Influenced Readership and Advertising

Our subscribers and advertising revenue have gone up. Advertisers want to be where the people are, and HopNews is where the people are now. Since I took over about 16 months ago, total traffic is four times what it was, and the number of users has doubled. The average time on page is now five minutes and 23 seconds, which is a long time in the internet world.

Sure, we've stirred the pot. People in New England are very provincial, and they love their towns, and in some ways I've been calling the baby ugly. And sometimes the baby *is* ugly, but I don't do it because I want to be "that guy." But sometimes things have to get worse before they get better. We have to talk about this stuff in order to see change.

On Experimenting With Different Business Models

If you're running a business, it has to sustain itself -- otherwise, it's a hobby. At this point in my life, I'd rather have it be a business. HopNews should, in theory, sustain itself on ad revenue...If nothing else, it should

break even. And it does do that. I'm not making a lot of money off it, but it's paying something.

I think the only way to really build a sustainable community news organization is to buy adjacent properties or to buy other community newspapers, and then use the same back-end sales and technology organizations and find economies of scale in the business. For really compelling content, you need to have feet on the ground in that community. For that reason, I don't like the idea of centralizing the newsroom like other local papers have done, where the news is done out of Dallas, Texas, or somewhere else far away. You need feet on the street if you're going to have those really compelling stories.

But the advertising and technology functions can be done from anywhere. I do think there are ways to build scale into the organization, but I want to learn the business first before I buy another news organization.

[In the meantime], I'm doing things that are compelling in other ways that are not necessarily content-focused, like classified ads. We are very similar to the Craigslist model. You can advertise anything you want for free unless it's a house or a car, in which case you pay five bucks. So it's not a lot of money, but it's like a little micro transaction.

We also have kind of a "good, better, best" model for subscriptions. So "good" is free, and anybody can get that content. "Better" subscriptions mean you've paid me a couple of bucks a month to unlock additional content, and you don't see any ads. The highest tier subscribers get invited to an annual beer party where I buy a bunch of beer, so I lose all the money that I made off the subscriptions...But it's the idea of bringing people together. So there are many little ways to make money, and what I've learned since introducing the subscriptions seven or eight months ago is that people will pay for good content.

Keeping Socially Minded Ventures Afloat Financially

My advice is to find a wealthy benefactor -- someone who believes in the mission -- and you've got to adjust to the idea that you're going to be poor because your benefactor is not going to want to support your lifestyle, in addition to the entire operation that you're running.

Beyond that, you got to understand that the most

effective marketing tactic is with a magnet, not a sledgehammer. You have to build a product or content that is so compelling that it'll attract the audience in, and people will tell their friends about it and they'll see it on Facebook or Google or however you market it. Finally, if you are just getting started, you have to be bold and you should want to be bold, because you have everything to gain and nothing to lose. In community journalism, this means talking about things that may make people uncomfortable and that shatter the status quo somehow. I wouldn't do it in a way that's annoying, but you have to give people no choice but to look at themselves in the mirror.

I want HopNews to sustain itself. I want it to be a flywheel where we take that two-sided model of compelling content and the advertising revenue that funds it, and then just apply that to other adjacent towns, and build the centralized back end that supports them all. I think I've proven that you can create something like this. And if there is this much going on in my little town, then there has to be at least that much, if not more, going on in the town right next door, and no one knows about it, because no one's talking about it. Or you might hear somebody whispering about it, but no one's writing about it and putting it out there for the masses.

His Venture's Social Impact

We have seen, in our town, what happens when you talk about difficult things. We saw that 1000 more people voted in our most recent election cycle than did in the previous one. People were outraged enough to think that they wanted to get out there and make their voices heard, to change the direction of the town maybe. And I think that is one of the key things that a local news site or newspaper can accomplish.