

A new tool for media and democracy



A Public Benefit Corporation

What is Audience Engine?



A worldwide publishing movement for everyone who creates content - radio stations, journalists, libraries, filmmakers - and needs an online audience capable of sustaining their operations.



A one-stop revenue generation shop for public and independent content producers who do not have a full-time, full-bore IT staff on site.



A true open source platform that media organizations can use and customize to their own needs.

How does it work?



Publishers use their original content to create powerful online communities.



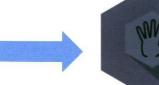
Communities collectively enrich the publisher's content with annotation, notes, links and more.



Ingenious crowdfunding technology embeds revenue generation into a publisher's content and beyond.



AE offers radio stations, news outlets, libraries and galleries a new way to survive.







Independent media survives and thrives, taking advantage of new technology, rather than getting sidelined by it.

Some background: WFMU

Audience Engine is based on digital tools commissioned by Ken Freedman at WFMU, the public radio station voted by *Rolling Stone Magazine* as "Best Radio Station in the US" four years in a row.

The station raises 70% of its \$2.5 million annual budget via its website using technology unique to the worlds of crowdfunding and public media.

Under Freedman's leadership, WFMU has logged a long line of digital innovations: in 2000, it was the first radio station to make 100% of its programming available on-demand, it developed the world's first working audio stream for the iPhone, was the first station to embrace podcasting and is the only station with its own online music library (freemusicarchive.org).



The Audience Engine Team



Matt Surabian Software Architect/ Project Manager



Sue Lockwood
Software Engineer



Joey Dehnert
Web Developer



Ken Freedman
President



Jenn Schiffer Software Engineer



Carl Danley
Reg / Auth Engineer



Liz Berg Vice President



Andrew Nealon Technology Manager



Brendan Mcloughlin
Software Engineer

The solution: new tools, new strategy

Audience Engine: A strategy and toolbox for radio, news, video and online publishers who want to maximize traffic, increase audience engagement and build community. By crowdfunding around their growing audience, publishers have a workable and reliable source of operating revenue. Key attributes include:



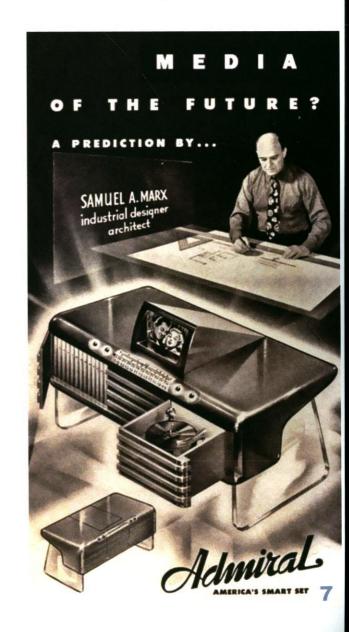
- a publishing platform interwoven with audience development and financial sustainability tools;



- a cross-platform, network-agnostic suite of tools that flows content into existing platforms and devices;



- a brand-enhancing environment that enables positive interaction between content creator and audience.



Community building means media survival

Let your audience of listeners, readers and fans enrich your content and interact with it



How exactly does Audience Engine build community?

Publishing and broadcasting becomes a moderated event, accompanied by a buzz of listener and reader chat. Our tools let the best of that chat annotate and enrich each publisher's content. User's own pages, favorites and online behavior are gamified, resulting in a positive online social scene. Publisherand community-organized meetups, appearances and discussions bring the online community together in public events.

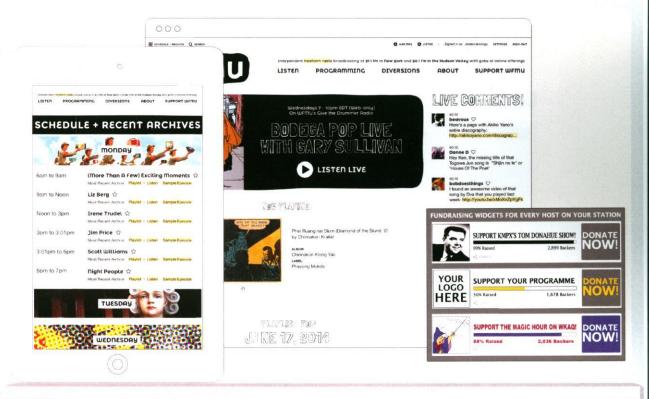
Product overview: the Audience Engine dashboard

Content and community

The heart of Audience Engine is the responsively designed social content page for radio and news sites, engineered for live, positive audience feedback and created with self-sustaining crowdfunding in mind.

Both Web and mobile pages have a built-in, interactive second screen, with incentives for positive contributions, and tools for stopping disruptive behavior.

Second screen communities usually comment and exchange opinions on platforms like Twitter and Reddit. The problem for the content producer is that when they send their audiences to off-site destinations, these big data enterprises skim off critical information that should be the lifeblood of the digital producer information that should be sustaining the content producer, not big data enterprises.

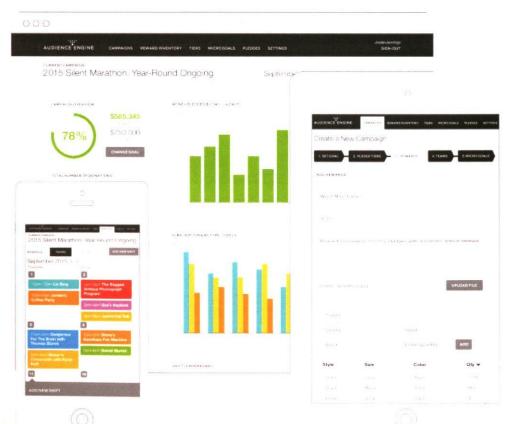


Product overview: the back end

A friendly, useable interface

Behind the scenes, Audience Engine offers your staff a user-friendly, graphically inviting interface to create articles and playlists, monitor user interaction and fundraising campaigns and more.

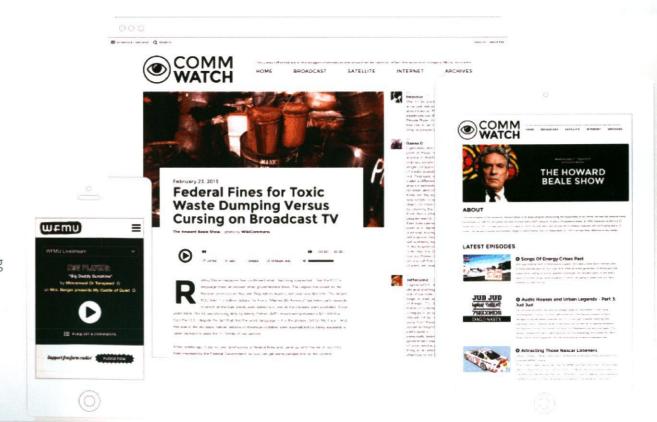
Fundraising campaigns give every program (or reporter) its own fundraising widget and "barometer," enabling producers to harness distinct online fan bases.



A New Model for Journalism

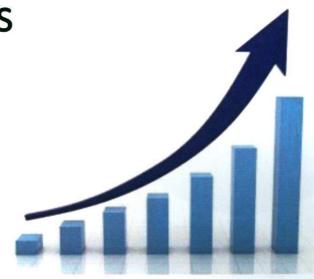
Sustainable investigative reporting and positive reader interaction

News sites will be organized by writer and subject, with publication of new content encouraging live reader interaction via a timed window. In this way, communities are engaged, sharing is encouraged, audiences grow and crowdfunding is built into and around the content and increasing readership.



Audience Engine's advantages

Audience Engine isn't a theoretical white board concept. Proven features developed over 15 years now generate 70% of WFMU's \$2.5 million annual budget online, giving WFMU the highest rate of online donations of all US public radio stations. *



Ongoing investment in our public benefit corporation supports the platform's expansion.





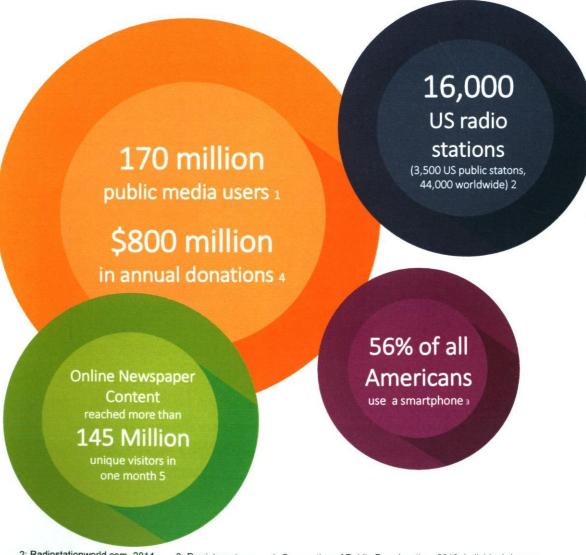
WFMU is a world-renowned leader in forward-thinking media strategies.

The market

Market opportunity

Audience Engine users will comprise terrestrial and online radio broadcasters and – via these publishers – the people who listen to them regularly.

In year two, Audience Engine will also offer platforms to digital journalists.



^{1:} Numbers for monthly US listeners, Nat'l Center for Media Engagement, 2011, 5: http://www.naa.org/innovation

^{2:} Radiostationworld.com, 2014

Our best features



Readers and listeners augment and enrich the content of respected media institutions. Positive audience interaction is an ongoing facet of publishing and broadcasting.



Publishers build traffic around their content and have the tools to monetize that traffic. Stations and news operations will be given the means for self-sufficiency.



Like-minded publishers and broadcasters can choose to share content and audience with each other in real time.

Competition Analysis

Airtime

Intended for automated radio environments; no live interaction; supports only radio.



Open source radio automation software

NPR Digital Services

Limited to NPR affiliates; limited features; closed software system; not modifiable by users; supports only radio.



Local authority, national reach.

Proprietary Platforms

Most large publishers use customwritten content systems that don't interact with other publishing systems or tools.

The New York Times

Crowdfunding

Audience Engine enters a highly-successful investment space, building on the success of major crowdsourcing platforms, but adding new functionality and features required by media companies and content producers. Total worldwide revenue for crowdfunding in 2014 was \$16.2 billion. *



2014: \$99 million dollars pledged worldwide

An Hour of Code education project raised \$5 million The Tesla Museum raised \$1.3 million Sondors Electric Bike raised \$5.9 million

KICKSTARTER

2014: \$529 million dollars pledged by3.3 million people worldwide

The Classical Sports Website raised \$56,000 PRX's Radiotopia raised \$620,000 Pebble Smartwatches raised \$20 million



2014: \$100 million dollars pledge worldwide

Soylent nutritional drink raised \$2.1 million The Jamaican Bobseld Team raised \$130,000 The Immunity Project raised \$460,000

Investment Opportunity



Audience Engine is a new product developed by Congera S.B.C., a Social Benefit Corporation* seeking investments from individuals and institutions via a convertible note offering. Philanthropic enterprises with mission-related investment programs are also encouraged to participate.

Grants and Charitable Donations

Congera's parent company, Auricle Communications, is recognized as a charitable organization under section 501(c)3 of the IRS code, and is organized as a New York State not-for-profit corporation. Auricle is seeking tax-deductible contributions in support of WFMU's development and implementation of the platform.

^{*} A Public Benefit Corporation is a new class of corporation that voluntarily meets higher standards of corporate purpose, accountability, and transparency.

Convertible note

Congera seeks \$3.4 million of debt, convertible to equity in the company.

\$ 3,400,000

Debt will earn 6% per year prior to valuation and conversion.

Details of the subscription agreement/convertible note are reflected on the term sheet, pages 35 and 36.

is anticipated three years from offering. Subscribers receive a 15% discount on equity purchase.

Conversion to equity

Foundation support

Congera seeks \$1.4 million
in foundation support
for the creation of Audience Engine,
via mission-related investments.
Initial funding of \$500,000 has already
been received or committed.
Congera's parent corporation, Auricle
Communications, a New York State
not-for-profit corporation recognized
as a charity under section 501(c)3 of
the Internal Revenue Service code,
seeks charitable grants for WFMU's
implementation and development
of the platform.



Revenue, Expense & Cash Flow (preliminary projections, Oct 2015)



3% fee on donations from 63 stations, each raising an average of \$150,000 = \$285,075



The same 3% fee on donations collected from 274 stations, = \$1.24 million

	Six Y	Six Year Revenue Projections												
	FY	FY 2015												
	Q3 & Q4		FY 2016		FY 2017		FY 2018		FY 2019		FY 2020			
REVENUE												W		
Subscription Fees	\$	-	\$	18,000	\$	228,060	\$	989,388	\$	2,657,702	\$	5,389,224		
Customization Fees	\$	8	\$	4,125	\$	36,469	\$	136,914	\$	336,278	\$	651,125		
Implementation Fees	\$	-	\$	72,000	\$	420,000	\$	1,200,000	\$	2,340,000	\$	3,948,000		
Maintenance Fees	\$	-	\$	5,500	\$	48,625	\$	182,553	\$	448,370	\$	868,166		
Donation Fees	\$	-	\$	22,500	\$	285,075	\$	1,236,735	\$	3,322,127	\$	6,736,530		
Event Sponsorship	\$		\$	30,000	\$	100,000	\$	200,000	\$	300,000	\$	500,000		
Advertising	\$	-	\$	-	\$	100,000	\$	140,000	\$	180,000	\$	240,000		
Total Revenue	\$		\$	152,125	\$	1,218,229	\$	4,085,590	\$	9,584,477	\$	18,333,044		



Development begins



Pilot project launches



Audience Engine hosting 12 publishers



80 publishers hosted

						-						
EXPENSES												
Full Time Salaries	\$	-	\$	540,750	\$	1,378,913	\$	1,703,363	\$	2,056,810	\$	2,691,739
Payroll Taxes	\$	-	\$	54,075	\$	137,891	\$	170,336	\$	205,681	\$	269,174
Health Benefits	\$	-	\$	81,375	\$	217,388	\$	281,325	\$	355,876	\$	487,911
Consulting	\$	23,000	\$	26,000	\$	30,000	\$	34,000	\$	34,000	\$	40,000
Payroll Services	\$		\$	3,000	\$	3,000	\$	5,000	\$	5,000	\$	8,000
Hardware	\$	-	\$	14,000	\$	16,000	\$	S-1	\$	8,000	\$	6,000
R&D	\$	-	\$	(14)	\$	-	\$	823	\$	~	\$	-
Software Licensing	\$	1,500	\$	4,000	\$	5,000	\$	6,000	\$	6,500	\$	7,000
Software Engineering	\$	280,000	\$	800,000	\$	200,000	\$	200,000	\$	200,000	\$	200,000
Wordpress Architecture	\$	60,000	\$	156,000	\$	40,000	\$	40,000	\$	40,000	\$	40,000
Graphic Design	\$	9,150	\$	36,000	\$	50,000	\$	55,000	\$	55,000	\$	60,000
Documentation	\$	-	\$	40,000	\$	50,000	\$	20,000	\$	20,000	\$	20,000
Sales & Marketing	\$	4,000	\$	28,500	\$	70,000	\$	140,000	\$	170,000	\$	200,000
Travel	\$	2,000	\$	15,000	\$	10,000	\$	15,000	\$	15,000	\$	20,000
Hosting Expenses	\$		\$	55,000	\$	389,000	\$	1,095,315	\$	1,793,480	\$	3,472,665
Bandwidth	\$	-	\$	11,000	\$	97,250	\$	365,105	\$	896,740	\$	1,736,333
Donation Processing Fee	\$	5.80	\$	11,250	\$	142,538	\$	618,368	\$	1,661,064	\$	3,368,265
Insurance	\$	-	\$	10,000	\$	12,000	\$	14,000	\$	14,000	\$	16,000
Legal	\$	7,000	\$	44,000	\$	64,000	\$	80,000	\$	120,000	\$	132,000
User Conference	\$		\$	10,000	\$	12,000	\$	14,000	\$	14,000	\$	18,000
Telephones	\$	_	\$	12,000	\$	26,000	\$	28,000	\$	28,000	\$	30,000
Office Rental	\$	-	\$	25,000	\$	53,000	\$	60,000	\$	67,750	\$	72,750
Contingency	\$	15,466	S	79,078	\$	120,159	\$	197,792	\$	310,676	\$	743,665
			_		-				S	_		
Total Expenses	Ś	402,116	S	2,056,028	Ś	3,124,138	\$	5,142,604	\$	8,077,577	\$	13,639,502
Total Expenses	Ţ	402,110	Ÿ	2,030,020	Y	3,124,130	Ÿ	3,142,004	5	-		20,000,002
Profit (Loss)	5	(402,116)	5	(1,903,903)	4	(1,905,909)	4	(1,057,014)	\$	1,506,900	S	4,693,543
(2235)	_	(402,110)	=	(1,505,505)	=	(1,505,505)	¥	(1,037,014)	S	1,500,500	-	1,030,010
Cumulative Profit (Loss)	6	(400 116)	_	(2.205.010)		(4.214.020)	-	/F 260 042)	-	(2.762.042)	Ś	021 501
Cumulative Profit (Loss)	2	(402,116)	>	(2,306,019)	5	(4,211,928)	2	(5,268,942)	\$	(3,762,042)	Þ	931,501
Starting Cash	4	(402 116)	4	(1 886 010)	4	(1 7E2 028)	4	111 050	\$	2 457 050	4	7 151 501
Starting Cash	\$	(402,116)	5	(1,886,019)	5	(1,753,928)	\$	111,058	\$	2,457,958	5	7,151,501
Foundation Support	Ś	400,000	\$	400 000	\$	300 000	4	200 000	\$	-	•	
Corporate Support	5	400,000		400,000		5,530 325 335	\$	300,000	>	-	\$	-
Auricle Support	-	20.000	\$	300,000	\$		\$	300,000				
Convertible Investments	\$	20,000	\$	100,000	\$		\$	240,000	4			
convertible investments	\$)5	\$	1,238,000	\$	2,162,000	\$		\$	-	\$	
Cash Flan	200		72		10		65		\$		7000	
Cash Flow	\$	17,884	\$	151,981	\$	1,168,072	\$	951,058	\$	2,457,958	\$	7,151,501

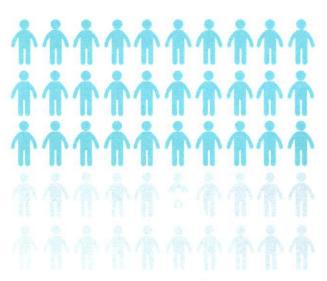
Six Year Expense Projections

Marketing strategy



Radio

Station clients will be found via trade groups like the CPB, NPR, NFCB, the GRC, Prometheus, IBS, CBI, NAB and more. Conferences, videos, station visits, email and mail marketing will provide additional reach and exposure.



Journalism

Local and hyperlocal journalism startups will be identified and solicited via e-marketing, conferences and contacts within the US news ecosystem.

Advisors and investors



Chris Daggett
Geraldine R Dodge
Foundation,
Institutional Supporter



James Vasile
Open Tech Strategies



Jeff Jarvis
Director, Tow-Knight Center for
Entrepreneurial Journalism



Molly de Aguiar Geraldine R Dodge Foundation, Institutional Supporter



Brewster Kahle

Founder, Internet Archive

Andy Weissman

Union Square Ventures



Ken Devine WNET & Independent Public Media



Karl Fogel
Open Source Initiative



Hamilton Fish
Public Concern Foundation,
Washington Spectator

A History of Impact and Innovation at WFMU



Sign on, 1958

WFMU signs on the air as one of the nation's first FM college stations.

The station adopts the Freeform format.

DJ Danny Fields signs the Doors, the MC5

& Iggy Pop in between shows. He later
managed The Ramones



Freeform, 1968



Independence

WFMU buys itself prior to Upsala College declaring bankruptcy.

Best Station in the Nation



Rolling Stone votes WFMU "Best Station in the US' four times. WFMU breaks bands from the Velvet Underground to to Green Day to Jeff Buckley.

Pre-Web Radio, 1989



WFMU & Bell Labs Create First Radio Telephone Keypad Audio Services



.1993: WFMU's website launches. The station has the first iPhone stream and the first on-demand program schedule.

Second Screen, 2005

WFMU builds listener log-ins, chat and fundraising into station playlists

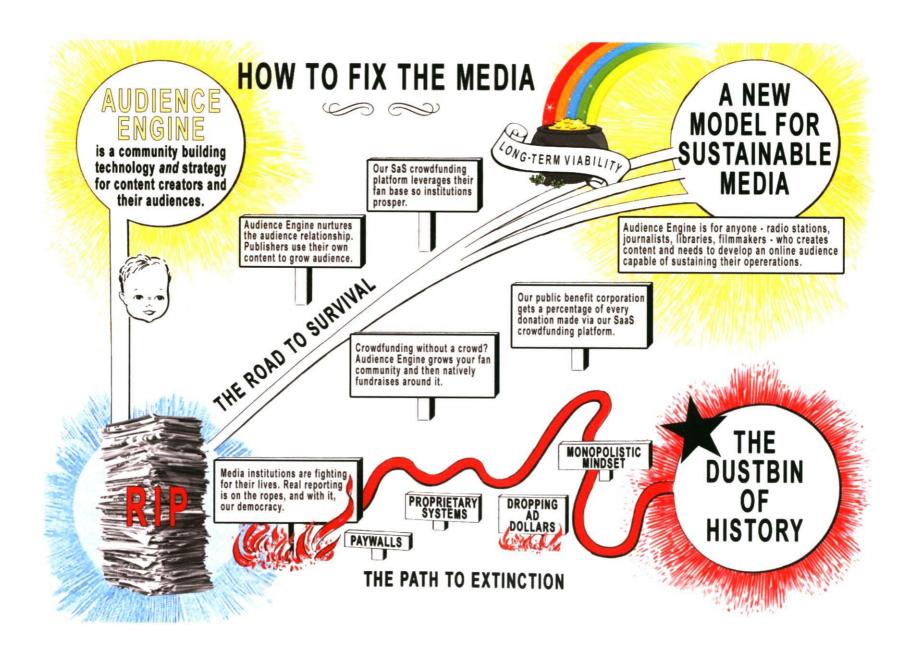


In 2009, WFMU launches the Free Music Archive, an online library of over 85,000 songs under alternative copyrights



Audience Engine

. By 2015, 75% of member revenue comes in online, a US record. WFMU founds Audience Engine to serve public & independent media worldwide.



Contact

http://audienceengine.net

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linkedin.com/in/kenfreedman



A Public Benefit Corporation

43 Montgomery Street Jersey City, NJ 07302

The Idea — Audience Engine

Introducing Audience Engine™ — a community building and crowdfunding platform that empowers independent media to publish sustainably in the digital age, building stronger, more enduring relationships with their audiences along the way. The open-source platform we're creating breaks down the walls that traditional media publishers build around their content, so that they can successfully leverage the untapped power of radio, television and online journalism content in the digital world.

A New Model of Media Sustainability

Since 1998, WFMU has developed a digital platform which has been key to its fundraising success. The station now raises 70% of its \$2.5 million annual budget via its website using crowdfunding technology we have adapted to the unique requirements of public media.

For WFMU's fundraising drives, we equip every host with his or her own digital tools which they use to promote the fundraiser and to solicit their individual online fan bases. Hosts have their own goal and their own barometer that measures their progress. Listeners can contribute to a specific host before, during or after airtime. The WFMU site features thousands of custom widgets (portable lines of code) that enable the station to conduct the fundraising drive, and ensure that the process of contributing to WFMU is an enjoyable one for our listeners. These widgets can also be placed on a wide range of social media platforms (Facebook, Twitter, Pinterest, etc) and enable listeners and reader to initiate the pledge process from their favorite social platform.

This process is not a theoretical whiteboard concept, rather, these are living, breathing proven features of the prototype which can be seen in practice at http://wfmu.org. WFMU's audited financial statements document the remarkable growth of our online revenue, which increased as a percentage of our overall revenue from zero to 70% over a ten-year period. A recent study of public radio stations nationwide (http://bit.ly/1AwLtla) determined that WFMU had the highest percentage of online donations of all stations surveyed.

The Audience Engine platform provides financial sustainability and audience development tools that enable publishers to flow content onto existing platforms and devices. The software consists of a cross-platform, network-agnostic suite of tools that can be used by any content producer, including radio and TV broadcasters, digital news sites, content aggregators, cultural institutions, etc. Sharing and participation is woven into the fabric of Audience Engine. Content producers and distributors are able to maintain their own brands and identities, while enabling migration and interaction between curator and audience, and between multiple producers.

A key component of Audience Engine's design is the interactive second screen, where readers and listeners assemble to discuss a particular broadcast, article or news report. Ordinarily, second screen communities comment and exchange opinions on third party platforms like Twitter and Reddit. The problem for the content producer is that when they send their audiences to off-site destinations, these big data enterprises skim off critical information that should be the lifeblood of the digital producer - information that should be sustaining the content producer, not big data enterprises.

One of Audience Engine's unique features is that the platform enables independent and public media producers to invite their readers, listeners or viewers on to their sites to create their own secure personal account and profile pages. When end users can log into a publisher's website, the way is paved to make easier donations, micro-donations and rich user engagements. This feature also provides the producers with an

avalanche of invaluable data and metrics about how their content is being consumed, the preferences of their constituents and the performance of their development strategies. Audience Engine is the first widely available tool to offer this level of user engagement to media institutions.

We envision that content makers who will utilize the Audience Engine platform will include public media organizations, emerging digital news sites, legacy media enterprises in transition, and traditional advocacy organizations. Deployment of Audience Engine will not be limited to particular networks (such as NPR) because the platform's flexible design can be adapted to a diverse range of users. Audience Engine's modular structure means that content producers will be able to incorporate its tools into their existing platforms, rather than having to abandon one system for another. It includes the first crowdfunding tool to address the idiosyncratic needs of public media organizations, and promises to help make online investigative reporting and related journalistic enterprises sustainable.

Business Structure

Audience Engine's open source software will be developed by WFMU and made available free via a GPL software license. For publishers with limited IT staffs, a commercial entity, Congera Public Benefit Corporation will provide hosting, implementation, customization, and security services for this software. As a Delaware Public Benefit C Corporation, Congera will seek investors, take the products to market, and collect fees for value-added services. While the Audience Engine business model contemplates a healthy revenue stream to sustain its ongoing development and profitability, it also ensures that the underlying open source software will remain permanently available in the non-proprietary realm.

Contact: Ken Freedman 201-575-5608 | ken@audienceengine.net

News - Hot 100 Billboard 200 Charts - Latin Dance Videos Smith Elliboard Q

WFMU Wants to Change How Media Talks to Its Audiences and Raises Money -- For Free



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Around the Web



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News and Features







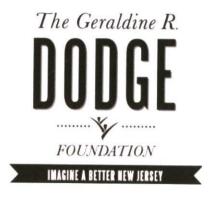






billboard

backstage. 😅 🕬



press release

Website: www.grdodge.org

Facebook: www.facebook.com/dodgefoundation

Twitter: www.twitter.com/grdodge

FOR IMMEDIATE RELEASE – July 15, 2013 Contact: Molly de Aguiar: molly@grdodge.org

WFMU's Audience Engine Gets \$100,000 Boost From Geraldine R. Dodge Foundation Grant

MORRISTOWN, NJ — An effort to create an open-source platform for media companies called Audience Engine got a boost through a grant approved recently by the Geraldine R. Dodge Foundation Board of Trustees.

The \$100,000 grant to WFMU, New Jersey's freeform public radio station, provides continued support of the station's Audience Engine, a free publishing tool built to empower media institutions to publish and fundraise effectively in the digital age, while building stronger, more enduring relationships with their audiences.

"The Audience Engine has great potential to revolutionize how media publishers operate in the digital world," said Chris Daggett, Dodge Foundation President and CEO. "It is an effective and innovative publishing and community engagement tool that not only strengthens the relationship between news operations and their readers but also, we hope, generates a new and much-needed community-based revenue source to support quality journalism."

"We've built amazing crowdfunding and community building tools at WFMU, which has kept The station alive," said Ken Freedman, Audience Engine Founder. Over 70% of our donations arrive from our website and related apps. By building tools for an independent public radio station though, I think we've found tools and a strategies that can really help sustain and serve all sorts of digital content makers - online investigative reporters, podcasters, filmmakers, libraries, academics, galleries, photographers, bands. All these content makers are grappling with the same issues these days – how to distribute content online, how to engage people online, and how to keep the lights on."

The Dodge Foundation was an early supporter of the Audience Engine, which was developed by WFMU based on tools it uses on its own website. The latest grant approved at the Board's June 15 meeting brings the total amount the Foundation has invested in the platform to \$500,000.

A key component of Audience Engine's design is the interactive second screen, where readers and listeners assemble to discuss a particular broadcast, article or news report. Ordinarily, second screen communities comment and exchange opinions on third party platforms like Twitter and Reddit. The problem for the content producer is that when they send their audiences to off-site destinations, these giant data mining operations skim off critical information that should be the lifeblood of the digital producer – information that should be sustaining the artist or producer, not the big data enterprises.

Deployment of Audience Engine will not be limited to particular networks (such as NPR) because

the platform's flexible design can be adapted to a diverse range of users. Audience Engine's modular structure means that content producers will be able to incorporate its tools into their existing platforms, rather than having to abandon one system for another

The \$100,000 Dodge grant enables WFMU to host an Audience Engine launch event this fall and roll out training workshops for early adopters of the tool.

"WFMU is a remarkably innovative radio station, with a long list of technological firsts, and a strong commitment to freely sharing their content," said Molly deAguiar, Dodge Media Program Director. "The main point of the Audience Engine, which dovetails so clearly with the rest of Dodge Foundation local journalism work, is that media organizations have to stop building platforms for specific content, and start building platforms that put community first."

Early adopters of Audience Engine may include not only WFMU, but New Orleans' legendary jazz and blues station WWOZ, as well as WSOU, And Princeton's WPRB. Audience Engine's fundraising tool Mynte will be released at a launch event in New York City in November, where content makers and coders worldwide will be invited to customize and create on the Audience Engine platform.

About the Geraldine R. Dodge Foundation

The Geraldine R. Dodge Foundation was established in 1974 through the foresight and generosity of Geraldine Rockefeller Dodge, daughter of William and Almira Rockefeller. For more than 40 years, Dodge has supported leadership, collaboration and innovation, with a focus on addressing the issues most pressing to New Jersey. Dodge also offers a comprehensive technical assistance program geared towards strengthening the capacity of New Jersey's nonprofit community.