



Internet

Million-Dollar Crowd Sourcing

Taylor Buley, 09.08.09, 6:00 PM ET
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URGHARO: Forbes is looking to profile entrepreneurs with disruptive, million-dollar ideas about building profitable businesses in an Internet-centric media world. Bonus points for proof of concept. Contact taylor.buley@forbes.com.

Five days a week and thrice daily, Peter Shankman sends out a personally addressed e-mail chock full of media inquiries like the one above--pleas from reporters, book writers and bloggers for information, data and comment requests. He calls the service "Help a Reporter Out," or "HARO" for short, and says it started out as a way to help his journalist friends find the right people on deadline. Shankman has since grown HARO, which started out in 2007 as a Facebook application, into a million-dollar business built around a mailing list of 100,000 press-hungry readers.

For those interested in publicity, Shankman's pitch is compelling. "Open my e-mail and you can wind up on the front page of a national newspaper, or on the *Today Show*," he says. The cost? Just a couple clicks.

HARO's promise of free press is very real, thanks to a constant stream of opportunities farmed out by time-pressed journalists. In a time when the media industry asks writers to do more with less, Shankman gives journalists a way to fish for sources in a stocked pond. Requests can yield hundreds of responses, from which a journalist can choose any or none.

Shankman says his New York-based operation gets about 175 requests each day and routes about 150 of them to his subscribers. Sources are unvetted and reply to the journalist directly. Shankman keeps reporters happy with strict rules about pitching and a zeal for punishing offenders. He says that roughly 90% of journalists who use the service return to use it again.

"If the reporter is asking about cruise ships and you send him information on cabins in the woods, you're gone. Your domain is blocked, and you're not coming back on HARO," he says. "And if I'm really in a bad mood and the reporter's really angry, I just might out you in my next edition."

Two-year-old HARO is hitting stride with its "crowd sourcing" model, offering mutual value for sources and the journalists who cite them. Since Shankman's e-mails demand an audience, he's built a business model around monetizing the attention afforded to him by his 100,000 subscribers.

Shankman sells \$1,500 line ads to advertisers like Westin Hotels. The handwritten HARO placement is penned by Shankman to appeal to his audience of workers at small and medium-sized businesses. All in all, the thrice-daily ads have grossed HARO close to \$1 million in the last 12 months.

Boding well for his pocketbook, Shankman's readers seem to be addicted to the click. According to Shankman, each day between 75% and 80% of all HARO readers open his e-mails. With new targeting options in the works, that number could go even higher.

The opportunities come often and on deadline, so there's a lotto-like appeal to the process. Jokes Shankman: "You don't want to be the PR person of a small business who has a chance to be in a major publication and misses it because you didn't happen to open the HARO that day."

Shankman says he doesn't take a salary, but his personal finances are not entirely divorced from his business. He did not disclose HARO's earnings, but says HARO burns about \$25,000 a month. He now employs four people on salary: a chief operating officer, a marketing manager and two editors focused on putting together the e-mails.

Shankman says he started the service based on karma--that is, he just wanted to help out friends. Still, he's undeniably happy about how profitable the idea turned out.

"There's no question the business model for it is very, very strong," he says. "But it's good to be doing something that really does help people."