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Planting the Seeds of Success in the New Year

I attribute the success I've had in my business career to the lessons I've learned from the people I've encountered along the way. One of my earliest and most influential mentors was my grandfather. In January, when I am thinking about the coming year and what I have to accomplish, he is always on my mind. Though he had only a 6th grade education, he understood how the world worked and he knew how to survive and succeed in an ever changing world. In this article I will share one of my grandfather's lessons and how you can apply it to our industry.

My grandfather was a farmer and greenhouse owner. He had to constantly adapt his activities to the changing seasons and the whims of the weather. During his lifetime, he also had to adapt to a changing economic environment, as the area surrounding his property changed from agricultural land to the suburbs. He was able to gradually change his operation from a dairy farm to a greenhouse and strawberry farm. He worked well into his 80's, long after all the other farms in the area disappeared under rows of ranch houses. January was the slow part of his year, but my grandfather made use of "Mother Nature's down time" to review and plan. He celebrated New Year's Day by spreading his seed catalogs out on the dining room table and planned his crops for the coming year. The table also held a ledger covered in worn green fabric. This was his most important tool; this book contained his notes from the previous year. He constantly consulted this ledger and based his plans for the coming year on his successes and failures from the previous year. He kept track of the crops that failed and those that prospered, what sold and what he had to throw in the compost bin. He also used this book to keep track of repairs he needed to make and tools he needed to replace. For all practical purposes, this book served as his business plan for the coming year.

What would Warren Buffet Do?

I use the term business quite loosely. For publishers it literally means their publication, their business. For sales people it is their territory, the portion of the business they are responsible for operating at a profit and growing. It is very easy to get lost in the day to day activities of running a business. We have a schedule and we do what we have to do, when we have to do it. We slip into a comfortable routine. Each year my grandfather looked at every aspect of his business with a critical eye. He looked at what he was doing and tried to decide if it still made sense to do things the way he had been doing them. This is good practice for us to follow.

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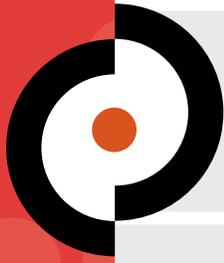
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I recently went through this process with one of our managers who had a very tough year. I asked him to imagine he worked for Warren Buffett and that Warren had just asked him to review a new business unit he had purchased in our town. The business was the manager's division and Warren wanted him to decide what needed to be changed, closed or launched to make the unit profitable and to position it for growth. Nothing is off the table and the manager has a blank slate to make the changes necessary. This exercise allowed the manager to step outside of his unit and to look at his department with fresh eyes. Looking at the business from the outside in, eliminates "that's the way we do it here" thinking and allowed this manager to look at the situation as a trained business professional.

History or Imagination?

The late Stephen R. Covey advised those who wanted to be successful in life to, "Live out of your imagination, not your history." My grandfather loved dairy farming. His family had raised dairy cattle on their property for more than a century before he was born in the late 1880's. In spite of this tradition and his deep roots, he realized that rising taxes and lower milk prices made the economics of dairy farming untenable. He sold off much of the land and began producing petunias and tomato plants for the tiny gardens behind the suburban homes popping up all around him. He was able to continue in business doing what he loved, but he had adapted to the reality of his situation. Recently, I was asked to provide some research to help our sales people sell a bridal tab in one of our papers. The reps were having difficulty selling this product and the customers felt that it was not producing results for them. I looked at the demographics and discovered that over 50% of people get married between the ages of 18 and 35. I looked at our audit and found that these people do not tend to read our print products, but use our digital products. The manager told me that the tab was in her "budget" and she needed to do it. I worked with her to reinforce the print product by creating an online "flip book" edition and doing an e-mail blast to distribute a link to this product to young women. This way the print product is available to interested mothers of the bride and we reach the primary target, young women, digitally. The price was adjusted to cover the cost of doing the e-mail blast. Our reps were able to tell their customers that we were proactively sending their potential customers a link to their advertising. Historically the stand alone tab had been a viable product, but this had changed. We needed to change the product to reflect how the readers interact with our products today.

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What to put under the microscope.

Good business people put every part of their enterprise “under the microscope.” In a highly competitive market, we need to be sure that everything we do contributes to the profitability and growth of our enterprise. Your review should include the “6 P’s”:

- Products
- Pricing
- Procedures
- People
- Profitability
- Potential

Here are some thoughts on what to look for:

Products—Look at each of your products to determine if they are still attractive to your readers and still fit in your product mix. Look at the sales for each product. Have the sales been declining or growing and if so why? Could the time and resources devoted to this product be used to better effect somewhere else in your organization?

Pricing—Does your pricing make sense? Is it in line with other media in your market? Does what you are charging for your services justify the investment of time and resources required to produce them?

Procedures—Review all of your procedures and look at all of your paperwork. Several years ago, I was asked to find ways to free up some of our frontline manager’s time. I found that they were taking time to prepare several reports which our accounting department no longer needed. These forms were made obsolete by a new computer system, but no one had upgraded our requirements. The more time you can free to focus on customers and on selling advertising, the more successful you will be.

People—Do you have the right people in the right positions? Is everyone in your organization productive? Are you giving your people the resources and training to do their jobs as effectively as possible? This is one of the most difficult areas to review and/or to make changes. It is impossible, as it should be, to divorce people issues from emotions. Unfortunately, because personnel costs are usually a business’s largest expense, it is critical to make good people decisions.

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Profitability—Take a look at every activity performed in your organization and ask yourself, “How does this contribute to our bottom line?” The best way to increase your profits is to eliminate anything that does not contribute to achieving your goals.

Potential—Are you leaving “money on the table?” Is there a segment of the market that you are not serving? What new products would fill a gap in your current product line? Can you add a digital component to a current product? If your business is going to grow and thrive, you must always be open to new ideas and opportunities. The key is to find and create new products which will grow your bottom line without requiring too many resources.

Good enough is never enough and seldom good

While it is good to take the time every so often to conduct a 360 degree review of your business, this should be seen as a continuous process, rather than as an event. Constantly ask yourself, “Is this the best way to do this?” Keep your “fresh eyes” open and don’t slip into the “this is the way we’ve always done it” trap. In the words of writer and business consultant Edward De Bono, “Creativity involves breaking out of established patterns in order to look at things in a different way.” In today’s business environment we need to be creative and flexible to thrive and survive. Keeping your eyes and your mind open is the key to keeping your business growing like the geraniums in my grandfather’s greenhouse.

This article was written by Jim Busch of the Pittsburgh Pennysaver.

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