

association

publishing

SNAP • JANUARY/FEBRUARY 2001

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editorial: communicating across cultures

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advertising: hiring a publishers' rep



READY TO OUTSOURCE YOUR AD SALES?
HERE'S HOW TO FIND A FIRM AND FORM
A PRODUCTIVE PARTNERSHIP.

a good FIT

Inside or outside? At some point, if your publication includes advertising, you're sure to discuss whether ad sales are best handled in-house by staff or outsourced to a publishers' representatives firm.

If the magazine is a start-up, the answer is easy: Hire an advertising sales staff. That's what I did several years ago, when I had an interest in a new magazine—even though I make my living running an independent rep firm. Why? Because expectations for a new venture are virtually impossible for either party to manage. If the growth is explosive, the publisher often thinks it could have been even greater if only the entire process were controlled in-house. If growth is slower than projected—which is almost always the case—then the outside sales firm is often seen as the culprit. Rather than engaging in an unproductive "blame game," it's better not to embark on a relationship with outside sales representatives until benchmarks exist.

AN INITIAL ASSESSMENT

Let's say you have an established magazine and are thinking about hiring an independent firm to handle advertising sales. Before making another move, assess whether your organization can sustain and nurture an outsourcing relationship. Answer these questions before initiating a search for an outsourcing partner:

- Are *all* the key players willing to work with an outsourced sales operation? The whole process will be difficult to implement if a manager who prefers to hire his or her own people is forced to accept a solution

that has been imposed by senior management.

- Might anyone have tendencies that could conflict with the outsourcing model? For instance, a sales manager whose style is to micromanage could have problems working with an outside firm.

- Is senior management willing to monitor the relationship? They must be accessible if problems arise.

- As the publisher, are you willing to accept another work culture? Independent sales representatives may work different hours than you or take a different approach to travel and entertainment.

- Have you added up all the costs for having your own direct sales operation? If you total everything on a napkin over lunch, you may miss more than half of the costs. State taxes, medical insurance, overnight deliveries, and travel within the market are just some expenses that are often overlooked.

- Have you clearly defined your expectations of an independent firm, from both strategic and tactical standpoints? For instance, do you expect to share sales personnel with other publications? If you want salespeople dedicated to your publication alone, be prepared to pay for that exclusivity.

WHAT'S YOUR PREFERENCE?

Assuming you've made the decision to hire an independent firm after addressing these questions, you'll need to find one that best meets your needs.

Should you look at big firms or small ones? Bigger firms tend to be more systems-oriented and have their own culture. They also tend to have better databases and the ability to leverage existing business to help

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you. Sometimes they will even bring together publishers to take advantage of opportunities for group sales.

Larger firms, however, generally want to control the process; a micromanaging sales manager isn't a good match for this type of firm. With a smaller firm, the owner may personally sell your magazine and become identified with it. You'll need to decide whether that is an advantage or a disadvantage for your association.

Some publishers may need national representation, others regional. If you need sales representation across the country, do you prefer to work with one large firm, national in scope, or with several regional firms? National firms can provide centralized billing and marketing continuity. On the other hand, they control your entire advertising revenue. One advantage of using a group of regional firms is their ability to offer diverse, targeted experience; the disadvantages include the need for more accounting and dealing with different corporate cultures.

Are processes such as monthly reports, forecasting, maintenance of the comp list,

Are you willing to accept another work culture for outside reps?

and so forth, important to you? Some firms are process-oriented and deliver business reports routinely and on time. Others, particularly smaller personality-driven firms, are more freewheeling when it comes to providing sales support.

Another consideration is whether you prefer a "vertical" or "horizontal" firm. Vertically organized firms assign magazines to salespeople, which limits the number of titles each one handles. These salespeople may or may not be exclusive, but they are dedicated to a small number of titles. This means you'll always know who is selling your magazine.

Horizontally organized firms assign a geographic territory to each salesperson, who then sells all of the firm's titles within that area. Sales expenses are lower; the drawback is that the same salesperson may need to touch base with the same client for several different publications.

The Final Rundown

When you get close to outsourcing advertising sales, review this list of considerations to ensure your publication and the selected firm will be a good fit.

- Does the publishers' representatives firm have the capabilities to deliver on your expectations?
- Have you checked the firm's references carefully?
- Do you like the people and trust them?
- How long has the firm been in business?
- Is the firm financially sound and able to weather a downturn?
- What is its Dun & Bradstreet rating?
- Does it have established banking relationships?
- Do the firm's office locations reflect the image you want to project to your customers?
- Is there a succession plan in place if the owner retires or an emergency arises?
- Does a big client dominate the firm? What would happen if that client goes away?
- Do you understand how the company is set up, including sales support and billing?
- How quickly will the representatives be ready to sell your publication?
- Do you have a clear idea of the firm's hiring policies and expectations for employee behavior?
- What is the rate of staff turnover?
- Have former employees ever sued the firm?
- Is the company able to provide additional services you might need in the future?
- Do you know what marketing resources the firm has, such as SRDS, Advertiser and Agency Redbooks, and research capabilities?
- Have you examined the systems that the firm has in place?
- Does the firm have a history of adapting to new systems, assuming that's important to you, or are you willing to work with its existing systems?—J.G.E.

THE UPSIDE

Once you have selected a publishers' representatives firm (see "The Final Rundown" on page 22), give this new relationship time to work. Don't walk away at the first sign of differences with your outsourcing partner. Instead, communicate clearly—and often—with the firm's management. Never let issues fester. After all, the rep firm wants success as much as you do.

If your organization is prepared to fully support the concept of outsourcing advertising sales, and if you have chosen a firm carefully, the results can be profitable and rewarding. As a publisher, you will be relieved of personnel issues such as hiring/firing, taxes, and countless other administrative hassles. Most important, sales can go up and expenses go down. ■



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