

Don't cut off your nose to spite your face

October 01, 2008 - Front Section

Several years ago (21) I sat across the desk from two three-piece suited publishing business executives who had made a more than generous offer to buy the Journal. Before I agreed I decided to ask one more what I thought was a pertinent question. "What is the first thing you would do with the paper when you buy it?" I asked.

They almost laughed at me when they answered. "Double your advertising rates, of course. We've checked all the other business publications in the region and your rates are half, and in some instances even lower than half of our theirs. Don't you know that you should at least raise your ad rates each year the cost of living? You haven't raised yours for over 10 years. That's 20% right there."

They were right of course. I hadn't raised my rates. Was it bad business or deliberate? So I asked them what they thought would happen when they doubled everyone's rates? They both smirked again and answered, "We figure that we will immediately lose half of the accounts, but the income will still at least be the same, or even more. The paper will be half the size so the printing and mailing bill will be cut in half. It is a no-brainer business move." Of course they were right - a no-brainer business move. "What about the small companies that think they can't afford the new rates?" I asked. "That's their problem!," was the answer. "You're not their keeper." I guessed that they were right again. So I thanked them for their time and sage business advice and told them that the paper was not for sale at any price.. They stopped grinning, and before they left they asked me why I kept the rates so low. I told them this story. "Look at any big brick wall and notice that all the bricks are the same size and small. It is ALL of them that make up the strong wall - not any one or a few of them. In a major industry, in our case a multi-trillion dollar one, the small companies are just as important as the big ones - and there are more of them. And the big ones all started out small. So our mission is to help them all - especially the ones that need it the most." They shook their heads and left. A few years later they started their own trade publication and hired me as a consultant. The sad thing is that they paid me good money and never followed my advice. Within five years they were out of business. Moral of this story? If the Journal is in fact a weekly visual meeting place for all the industry - a place where they can network, read about each other, submit their news releases and know they will be printed, run their ads and know that they will be seen by prospects without paying for waste circulation like they would in a daily newspaper - when times get tough and people are tightening their belts - make sure you check the ad rates of where you are spending your money and you will find out exactly what those two potential buyers found out. The Journal rates are the lowest for a reason. You are an equal part of an influential brick wall. If your brick disappears, your prospects and industry members will notice the hole and think one of three things - either you are in trouble, you have gone out of business, or you died. So you see, the Journal rates allow you to stay alive through the tough times and that's our mission.

Don't crumble your brick.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540