How we treat people is more important than making money.

How I ended up in the newspaper business

I started my career in 1994 (24 years ago) with the Small Newspaper Group, Inc. I have to say I was blessed with many great mentors, and the family I worked for truly cared for their more than 1,000 employees.

Starting my career in the *Rochester Post-Bulletin's* (Minn.) circulation department, I held titles such as single copy/shortage driver, district sales manager, and single copy sales manager. Back then, our daily circulation hovered close to 50,000, and I think it is closer to 32,000 now.

In 1999, I was promoted to circulation director and corporate trainer at the corporate headquarters in Kankakee, Ill. I enjoyed my time with the wonderful daily newspaper staff at *The Daily Journal*, as we grew circulation year-after-year – making the advertising department's job a little easier.

Then, in 2002, I was promoted to publisher of the *La Porte Herald-Argus* (Ind.), which our team evolved into the *La Porte County Herald-Argus*, growing circulation, ad revenues, and commercial printing operations at an incredible pace. We had an awesome team full of ideas, and they could make anything possible. We even published our 125th year special anniversary issue in 3-D and provided 3-D glasses for readers within the newspaper that day.

In 2006, I was contacted by a headhunter seeking to fill some publisher positions in Minnesota and Wisconsin. My wife and I had two young children, and we constantly talked about how we wanted to move back to Southeast Minnesota to be closer to family. We wanted our children to know their grandparents, aunts, uncles, and cousins.

So, in February 2007, I accepted an offer to work for an Iowa-based media company, with my publisher position operating out of an office in the Southwest Wisconsin region. Again, I had the pleasure of working with an outstanding group of people in Platteville, Wis. And, while we were happy to be within four hours of family in Minnesota, it still wasn't close enough.

Since 2004, when our daughter was born, I had been looking into buying a newspaper. I figured I couldn't get transferred anymore if we owned a newspaper.

And, in 2008, an opportunity presented itself. It was perfectly timed, too. Just as the financial crisis came crashing down on the newspaper industry, I joined the ranks of layoffs in October 2008. On January 26, 2009, my wife and I took ownership of a free distribution weekly newspaper known as the *Fillmore County Journal*. And, I knew what we were getting into quite well.

Before we sank a single penny into this operation, I ran numbers through spreadsheet after spreadsheet, determining a variety of cash flow and capital investment scenarios. I wanted to make sure we weren't buying a lemon.

But, the most important part of my research came from what I dubbed "The Smith and Johnson Test."

I looked up every city in the circulation area of the *Fillmore County Journal*. Then, I went to www.whitepages.com and typed in the name of each city along with a last name of Smith. I would call that individual, and conduct an independent media market study. I asked every person on each phone call which media they used the most. And, first and foremost was always the *Fillmore County Journal*. I did the same thing with individuals with the last name of Johnson, town by town. I decided to call Smiths and Johnsons, because I figured it would be one of the most common names in each community. At the end of my independent media market study, I was pleased to hear that the main source of news was undoubtedly always the *Fillmore County Journal*. If a compet-

ing newspaper would have come up in those conversations, that could have been a deciding factor of whether to purchase this newspaper.

You can use The Smith and Johnson Test if you'd like. There's no patent on it.

Corporations have destroyed community newspapers

Over my 24 year career, I have watched family-owned community newspapers become a Thanksgiving feast for the corporate media world. As the corporations have gobbled up family-owned community newspapers, the majority of time gloom and doom is inevitable. There will be layoffs, the editorial product will suffer, circulation will decline, and ad revenues will fall.

With a family-owned newspaper, the owner stays in their leadership role for decades. There is continuity in decision-making, and there is a vested interest in the success of the employees. In corporate media environments, leaders come and go all the time. When there is constant change in leadership, employees get frustrated. Middle managers are on the hot seat to sway in which ever direction the new publisher, president or CEO takes

them. After all, they want to keep their job. When middle management is uneasy, not knowing what to expect from another new leader, that makes front line employees uneasy.

No more flash reports! No more reports period! Toward the end of my corporate newspaper path before my wife and I bought a newspaper, I worked for a corporation that placed leaders from companies like Gannett and Pulitzer on a pedestal. Those corporate-minded leaders were always focused on reports. We had

WHEN YOU BUY FROM A MOM OR POP BUSINESS, YOU ARE NOT HELPING A CEO BUY A THIRD VACATION HOME.

YOU ARE HELPING A LITTLE GIRL GET DANCE LESSONS, A LITTLE BOY GET HIS TEAM JERSEY, A MOM OR DAD PUT FOOD ON THE TABLE, A FAMILY PAY A MORTGAGE, OR A STUDENT PAY FOR COLLEGE.

OUR CUSTOMERS ARE OUR SHAREHOLDERS AND THEY ARE THE ONES WE STRIVE TO MAKE HAPPY.

THANK YOU FOR SUPPORTING SMALL BUSINESSES!

weekly revenue and expense reports, flash reports, revenue and expense history reports, projection reports, contingency reports, etc. The list goes on and on. I spent more time filling out reports, than doing what I have always considered to be the most important function of a leader. Newspaper leaders need to spend time communicating face-to-face with their team members and their advertisers. Filling out reports didn't increase sales and improve customer service. I'm pretty sure that the majority of those reports were never read by upper management. And, to have salespeople keep a daily log of their sales activity is a slap in the face. That's telling someone that you don't trust them. Instead, leaders should get off their lazy butts and ride along to establish rapport with the salesperson and get a better understanding of the challenges that a salesperson faces when making sales calls. So, less reports, and more rapport.

In the corporate media world, employees equal dollar figures on a spreadsheet. With family-owned community newspapers, usually located in sparsely populated communities, every employee matters. If we lose one outstanding employee, it may take us four years to replace and train someone to hopefully fill their shoes. Heck, we may never find someone as outstanding as the person we lost. We must truly care about our employees and bend the rules a little bit. What do I mean by that? Some employees need flexibility with their work schedules. Whatever is important to our employees needs to be on our radar.

Pay raises! There are two things that I think about on a regular basis. 1) We need to generate more revenue to cover the increased cost of newsprint, postage, and payroll – but most importantly payroll; 2) We need to increase revenues to cover the cost of technology upgrades. Our employees deserve as much as we can possibly afford to pay them. And, they are happier when production flows smoothly in the publishing process, so we need to invest in new computers, software, printers, etc. on a regular basis. I hear all too often that these are not priorities in the corporate media world; especially about pay raises. Employees recognize leaders earning big bucks, and they can feel that there is inequity in the distribution of wealth. It creates a great divide between leaders and the rest of the team. The reality is that the most important people in any organization are the front line employees who directly interact with customers. So, why aren't they treated like they are the most important?

A long time ago, in a land far away, somebody told me that the bigger the company, the bigger the egos. It was true over 20 years ago, and it's still true today. I don't care about titles anymore. I used to care as I was climbing the corporate ladder in my 20's and 30's, but customers don't care so why should we? Now, my desk is located in the front of our office, so I am the first person that people see when they walk in the door. I know, scary! I'm accessible to the public! But, my point is that I don't need an office. It's taken me a long time to figure that out.

And, here's the biggest difference between a family-owned community newspaper and a corporate media company. How we treat people is more important than making money. If we treat people like our newspaper can't operate without them, both our employees and our customers, then the newspaper will do very well. And, it will feel more like a shared success. It's when corporations focus so much on making money, that they lose sight of how they are treating their greatest asset – people.

Making deals with the Devil

The entire newspaper industry killed Main Street by helping big box stores get their message out to the masses. We preach about buying local, but the industry actually supports the opposite. Think about all of the hardware stores that have closed nationwide because newspapers helped Lowe's, Home Depot, Menard's, etc. get their foot in the door with our readers.

When my wife and I purchased the *Fillmore County Journal*, Menard's was an insert customer. And, they had an ad agency work with us on their annual contract. They continuously wanted a rate reduction, and more bells and whistles as value-added. I finally told Menard's to go elsewhere, and they did. I was fine with that because we have locally owned lumberyards and hardware stores selling the exact same products as Menard's. And, guess what... all of those lumberyards and hardware stores are locally owned and they definitely advertise in our newspaper.

I know what you're thinking. A corporate media company would never make a bad financial decision like that. I know. Isn't it great! And, guess what else. We have reporters write stories about these lumberyards and hardware stores when they celebrate milestone anniversaries. We consider ourselves the official sponsor of business anniversaries, you might say.

People do business with people

As I've said before, our employees are our greatest asset.

Many moons ago, a car dealer told me "People do business with people." That has stuck with me ever since. Even with all of the technology we have at our fingertips, any service industry is largely driven by person-to-person interaction.

Thus, we promote our greatest assets on a regular basis. A few years ago, we started publishing what we've called "Community Ads." These Community Ads present an opportunity for our readers to get to know our employees. Along with photos of the employee and their family, they share a little bit about themselves. Maybe they share their hobbies and interests, or possibly talk about their volunteerism in the community. These ads always go over well.

Without a doubt, people do business with our newspaper because of the great people we have on our team. It's all about the people. Always.

I should mention that we do have quite a few employees who volunteer in various capacities. Some volunteer at church while others take on high school sports coaching opportunities. And, we encourage it. If someone wants to coach a high school sport, we just adapt to whatever work schedule is conducive for them and our production schedule. It always seems to work out just fine. And, with our employees connecting with different circles of influence, our newspaper benefits by being aware of all the happenings of the area.



Authenticity with appreciation

Every year, we have a budget for doling out about \$3,000 to \$4,000 in Christmas gifts to advertisers.

We hand out meat and cheese trays, beer, wine, liquor, and gift cards to use at local restaurants.

In January 2018, I found out that we mistakenly didn't deliver a meat and cheese tray to one advertiser. So, knowing that they were celebrating a 10 year business anniversary and they were planning to host a customer appreciation event with food and prizes, I put on my thinking cap.

I asked them if I could take a photo of their staff, and then I accumulated a little information about each of their individual team members.

I went to our local grocery store that just started offering the option of photo cakes, and I asked them if they could help me out with a special cake.

So, I custom designed an entire front page of the *Fillmore County Journal* to be printed on a photo cake and presented it to the customer. The owner said, "Sethre, you've outdone yourself!" He will never for-



get that customized front page with articles about his employees and a story recognizing his 10 year business anniversary. And, how many people did he tell? I'll never know, but I do know this: **Never take your customers for granted.**

Buy local, stop promoting Amazon

Do you like it when you visit a website to view an article and it's bloated with ads?

Then, why would we subject our readers to that same pain and anguish? We are not only perpetuating a bad end-user experience, but we are helping the likes of Amazon steal business from our local advertisers. And, not just Amazon, but many others.

At our newspaper, we don't allow any third party online ads such as Ad Choices (the most common one). We only allow local advertisers. And, we feel that online ads should be so affordable that they are a no-brainer and the cost should never compromise the ad budget of a print customer. And, only print customers are allowed to run online ads.

Again, if we say we want to promote a shop local initiative, but we allow third party advertisers on our websites, we are promoting everyone but local. So, no more third party advertisers, please!!!

And, we don't allow for in-article advertisements. I can't stand scrolling through an article and there is an ad every two paragraphs. All of our employees talk about how much they can't stand it either. I'm pretty sure we are not alone on this one, so let's all just stop with the in-article advertisements. No pop-ups either, please! I want to subscribe less and less to your e-newsletter when you keep slamming it in my face!

Deep Thoughts by Jack Handy. One last thing to think about with respect to Amazon. We, the newspaper industry, have helped big box stores run locally owned competing businesses out of business as we are always chasing the almighty dollar. Now, we are helping Amazon or any other non-local business promote their goods via Ad Choices (or any third party marketer) to run the big box stores out of business. Once Amazon runs everyone out of business, who will we have left as advertiers, digital or print?

Plant seeds with spec ads

The first rule of spec ads is that nobody talks about spec ads. Years ago, it was so commonplace. But, today, I'm surprised to hear that most newspapers don't create spec ads to generate sales.

Captain Obvious once told me that newspapers can only increase their revenue by raising rates or increasing volume. Or, both, if you want more money.

Spec ads help newspapers increase ad volume without even having to increase ad rates.

And, newspapers are no different than restaurants. If you see a busy restaurant, you are going to want to eat there. If you see a newspaper full of ads and content, that's the one you are going to want to read and probably talk about with other people – which leads to more advertisers.

Testimonials

Just like with spec ads, I see a lack of testimonials in our industry. This is a no-brainer.







Diversification

We have diversified our business based on the needs of our area. Where business options were lacking, we have stepped in to fill different roles. For example, if there was a solid, well-established web design company in our region, we would have never forged ahead with a web design company. But we did, and SMG Web Design will be celebrating a nine year anniversary in 2018!

We also publish an annual tourism magazine that covers 35 counties in four states, re-branded as *Visit Bluff Country Magazine* back in 2009. As a result of our distribution network of more than 1,000 locations in four states, we have been contracted by several local tourism agencies to distribute their marketing materials, as well. This has brought in a decent amount of new revenue, while also helping a number of customers who can't and don't want to duplicate our distribution system.

Perfect Glossy came to life as customers noticed we published a high quality tourism magazine. So, we design and print rack cards, brochures, inserts, business cards, and other community tourism publications.

The one thing I've learned, though, is that we can only take on so much. We'd rather focus on quality over quantity.

Audience engagement

I recall somebody once told me that a community newspaper is like a for-profit community service organization.

We serve the public in so many ways, and inviting them to be a part of the newspaper experience is always a good idea.

Over the course of a typical year, we hand out prizes worth over \$6,000 to our readers for participating in the following:

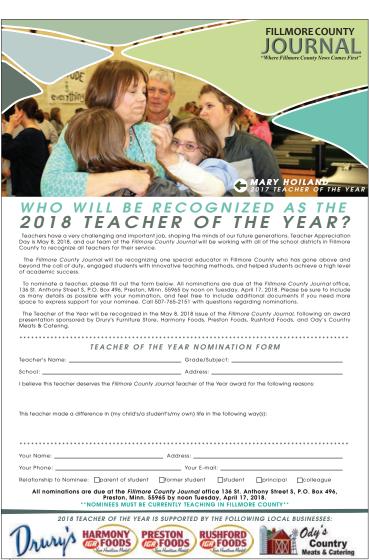
- Cute Kids Contest
- Teacher of the Year
- 13 Month Calendar photo contest
- Cookbook recipe contest
- Breast Cancer Awareness advertiser newspaper shared donation
- Reader's Choice Awards "Best of the Best" voting contest
- Visit Bluff Country Magazine photo contest
- Letters to Santa
- Coloring Contests for Christmas, Thanksgiving, Valentine's Day, St. Patrick's Day, Easter, Halloween, Thanksgiving, and Christmas
- Journal Student Writing Project in which high school students write weekly columns about what's on their mind

And, we recently presented to the public these newspaper/magazine outdoor racks that include local faces. These are getting used quite a bit, and people appreciate how they connect with our local residents on a more personal level.









Everyone is an owner

I've worked for media companies in which management told you they wanted you to feel empowered to make decisions like an owner of the company. Rarely do employees feel like that's the case.

I'm not saying that we are perfectly there yet, but I'm hoping we are getting closer at our newspaper. At a recent monthly meeting, I told our staff that we have certain customers who frequently run happy ads to celebrate birthdays, anniversaries, and in memoriam. I asked our team how they felt about giving a free happy ad every once in a while to a customer who walks in the office to run a happy ad with us. But, the criteria was that these customers had to be the ones who run happy ads quite often. We felt that a surprise like this would make them feel appreciated. I guess we will see how it works out over the long haul.

And, we have many businesses that run a lot of ads throughout the year. There's nothing wrong with giving someone a free ad in a section they wouldn't normally otherwise run an ad. A good percentage of the time the customer will say yes to paying for an ad in that section the next year since they got the first one for free.