

Best News Photo

Division 5

2015 Better Newspaper Contest

By Kristen Inbody, Great Falls Tribune



Titled: Domain of the Grain

I was called out to the field between Choteau and Dutton to take some pictures. By the time the combine was in sight, I knew I would have just one chance at a picture because the light was nearly gone. As usual, when I find myself taking farm photos, I had the wrong shoes on. Soon my strappy sandals were full of chaff.

Photo taken with an iPhone

Judge's comments: "Just a completely incredible shot! The sun is perfect and didn't make the farm equipment too dark. Amazing!"

MNA Calendar

October

- 1 Deadline to file USPS Statement of Ownership, Management & Circulation Form 3526
- 1 2016 Rate & Data Survey emailed to MNA members
- 4 National Newspaper Week, nationalnewspaperweek.com
- 7-8 Statewide Advertising by the numbers 2.0 online training
- 15 Deadline to submit articles for the October Press Pass

November

- 1 Deadline to complete the 2016 Rate & Data Survey
- 9 Montana Newspaper Foundation 2016 Internship Grant application opens
- 19 Deadline to submit articles for the November Press Pass
- 26-27 Thanksgiving - MNA office closed
- 30 Application deadline for the Montana Newspaper Foundation 2016 Internship Grants

December

- 8 Montana Newspaper Foundation 2016 Internship Grants awarded
- 11 Deadline to submit articles for the December Press Pass
- 14 2016 Better Newspaper Contest rules and instructions will be available
- 24 Christmas Eve - MNA office closed at noon
- 25 Christmas Day - MNA office closed

Annual rate and data questionnaire

In October each year, MNA member newspapers are asked to update and complete a Rate and Data Questionnaire. The questionnaire format is an Excel spreadsheet that can be downloaded and electronically completed or printed and handwritten. The information gathered will be used to provide accurate, complete and timely advertising quotes, orders and invoices. If you have questions or need assistance, please contact MNA. We ask that completed questionnaires be returned preferably via e-mail and no later than November 1st. Thank you for your service and cooperation. If you have questions, please contact Kev Campbell, Business Development Manager, at 443-2850 or campbell@mtnewspapers.com.



Statewide Advertising by the Numbers 2.0

Statewide Advertising by the Numbers 2.0 online training presentations will be offered again on Wednesday, October 7, at 3:00pm and Thursday, October 8, and 10:00am. All newspapers are encouraged to attend via GoToMeeting.com and a conference call. Invitations with links to join the sessions will be e-mailed in advance. Please contact Kev Campbell at the MNA office (406.443.2850/campbell@mtnewspapers.com) to RSVP or for specific information. The statewide advertising networks for both classified ads and display ads offer a great source of additional ad revenue, while benefiting your new and existing clients with exposure to 400,000+ additional readers!



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OUR MISSION:

To advance and sustain the news publishing industry in Montana.

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MEMBER PROFILE

JEFF AND MELODY MARTINSEN

Co-owners, Choteau Acantha

Personal Stats:

Born (year & place):

Jeff: July 29, 1965, Longview, Washington

Melody: Jan. 1, 1966, Choteau, Montana

First newspaper job:

Melody - worked as editor of The Growl, her high school newspaper in 1982-83; worked as a reporter/photographer/page designer intern at the Fairfield Times in the summer of 1985.

Jeff - Choteau Acantha publisher, July 1, 1990.

Family:

Jeff and Melody have been married since May 5, 1989, and have one son, Madison Otto Martinsen, who is now 19 and a freshman at Montana State University in Bozeman, where he is majoring in electrical engineering.

Education:

Jeff and Melody both graduated from Choteau High School in 1983. Melody earned a bachelor's degree in print journalism with a minor in Russian language from the University of Montana at Missoula in 1987. Jeff earned a bachelor's degree in business administration and an associate's degree in personnel management from Western Montana College at Dillon in 1987.

Community involvement and diversions:

Jeff and Melody have been members of the Choteau Chamber of Commerce since 1990. They have also been Teton County 4-H leaders in photography and horse for more than a decade and were members of the Choteau Jaycees from 1990 to 2005. Jeff is currently serving as president of the Montana Newspaper Advertising Service. Melody is the chairwoman of the Montana Newspaper Foundation and Jeff serves on that board. Additionally, Melody is the chairwoman of the Montana Freedom of Information Hotline board. Melody is the secretary/organizer of the Choteau Community Band and has played in the band since 1991. She and Jeff both enjoy running and are members of the Grizzly Activity Inc. group that organizes races in Choteau. Both Jeff and Melody are past presidents of the MNA.

How did your career lead you to where you are now?

After graduating from college, Melody was hired as a reporter at the Great Falls Tribune. Jeff continued working as a smoke-jumper for the U.S. Forest Service and, after their marriage, he worked in Great Falls as a bookkeeper for a construction company. When they were both 24 years old, the current owners of the Choteau Acantha, Dick and Joan Nordhagen, offered to sell it to them, and they purchased the business and moved to Choteau, where they have been ever since.

What's the most important thing you learned along the way that prepared you for your current role?

Jeff - My training in college in general business operation gave me a good handle on the role of the publisher as the busi-



Jeff and Melody Martinsen

ness manager. Melody - My print journalism degree from the University of Montana and the real-world experience working at the Great Falls Tribune and on the UM Kaimin staff as a student both gave me the tools and the know-how to tackle reporting, writing, editing and page design at the Choteau Acantha. Also, my parents owned their own business, a farm/ranch in Teton County, so I grew up with a clear idea of how time-consuming business ownership is.

What aspect of the job do you find the most rewarding?

Jeff - I think I enjoy the creative process that goes into building a great print advertisement for my customers. I enjoy the personal relationships with them and I like knowing that we try our best every week for our readers. Melody - I like the variety of topics that I get to cover, and I love nailing a story so that it touches readers' hearts and minds and makes them look at something differently or get involved in a worthy cause.

What aspect of the job do you find the most challenging?

Jeff and Melody: We both find the ever-present competition for advertising dollars from multiple media challenging. We strive to be able to offer our advertisers good rates for good service in our print and online endeavors, but we are also operating in economically-flat north-central Montana in a county with a declining population and a declining business base.

What have you done to enhance the brand of your newspaper in your area?

Jeff and Melody: We strive to provide news from throughout Teton County to our readers by covering issues and events in not only Choteau, where we are based, but in the other communities in Teton County. We have an active Web presence with a free online website and a paid e-edition. We use facebook to reach out to readers in a more informal way, and we are trying to live up to our goal of being the best source for factual, unbiased local news.

Continued on Page 4

MEMBER PROFILE

Jeff and Melody *Continued from Page 3*

What is your digital strategy right now?

Our digital strategy remains committed to maintaining an online presence that gives readers up-to-date news, which can be especially important during the fire season, for example. We also use our Web page to provide more information than we can fit into the print edition, offering readers a variety of stories from Montana Fish, Wildlife and Parks and from the university system, for example. We promote the purchase of photos from our online galleries and we encourage print readers to take advantage of our e-edition product, especially those who live out of state and who may have trouble receiving their papers in a timely manner through the U.S. Postal Service.

What is your print strategy right now?

We want to continue to offer a general newspaper that does a great job of covering local government, people and trends. We are “hyper local” and proud of it. Most weeks, we generate more than enough original, staff-produced news stories to fill our edition. We believe in providing readers with the information about government that they need as citizens to make good

decisions. We also want to provide interesting and timely enterprise stories on the people, events, and places of our county. We target newcomers to our communities with directed marketing for subscriptions and we go the extra distance to provide our advertisers with a quality product to help them reach their marketing goals as well.

How does the MNA serve you and your newspaper?

We have been MNA members since 1990 and through the years, MNA has been a consistent resource for training, professional networking, mentoring and advice. Both Jeff and Melody have had the opportunity to grow as young professionals through involvement at the board level for the MNA and the MNAS. Additionally, we benefit financially through our participation in SDAPs and other marketing programs through the MNAS. With our very tight schedules, getting away for training opportunities is difficult, but through the years we have always taken advantage of training offered at convention and throughout the year in various seminars. We are pleased to see MNA offering webinars now as well.

PEOPLE and PAPERS

10 ways to treat Public Notices

Ed Henninger, newspaper content and design consultant, offers these great tips on treating Public Notices in newspapers with respect!

To say legal advertising is a major part of revenue for newspapers would be an understatement.

Now that we're (sometimes) threatened with the loss of legal advertising, we need to change our thinking.

One of my suggestions (surprise!) is that we pay greater attention to the design of legals.

For starters, let's stop labeling them “legal advertising” and call them what they really are: Public Notices.

Here are some ideas:

1. GIVE THEM a special header. I like the idea of running a shallow photo of an architectural detail, perhaps, from your county court building. Or, you could run a representative photo like a gavel or a courtroom.

2. INCREASE the type size. That's right: If you want people to take notice and read your notices, run the type larger.

Please note: the rules in Montana require solid 8 point type.

3. RUN HEADLINES. Just like other news in your paper, give each notice a headline to help attract readers in the package.

4. RUN PHOTOS and maps with the notices. If your county sheriff is planning to auction off some time-worn cruisers, for example, run a photo of one of the cruisers. If a local church has applied for a permit to construct a new building, run a photo of the church.

5. RUN MAPS, where applicable. If a golf club is planning to create a nine-hole course for beginners, show readers the layout of the course.

6. RUN A GLOSSARY when you can. We all know that legals are full of lawyerish gobbledygook. Try to run an occasional glossary of terms with your public notices. Readers will thank you for it.

7. DESIGN THE PAGE. That's not gonna be so easy because you can't trim the text, as you can with most stories. But if you're serious about keeping your legal advertising, you can find a way to do it. And... no one promised that this would be easy.

8. CONSIDER QR CODES. You can place these in the legals to help take readers to web sites where they can find more details. Or perhaps a QR code can connect them to a phone number where they can ask for more details—like how to bid on selling the city a new computer system.

9. TEASE TO NOTICES. Often, what's in the Public Notices is at least as newsy as some of the stories on your front page. Certainly, a notice requesting building permits for a 12-store mall in your area is news! Don't hesitate to direct readers to that notice.

10. READ THEM! Often, your news staff will catch wind of a major story just by reading the notices in your own newspaper. Make sure you check the content of legals consistently.

So. Wanna keep your legals? Want to get them more readership?

Stop thinking of them as legals and start thinking of them as Public Notices, an important part of your newspaper for every reader

And as a reminder, please add the MNAXLP code to all the display and liner Public Notices in your newspaper. This code allows your Public Notices to automatically be uploaded to montanapublicnotices.com.

PEOPLE and PAPERS

Witnessing the evolution of the newspaper industry

By Caroline Little, president and CEO, NAA



Caroline Little

Four years ago, most of us wouldn't have predicted award-winning TV series would debut via online streaming on websites such as Netflix and Hulu and would never be aired on cable or network television. Just four years ago, it seemed unlikely that people would prefer online music streaming and radio apps over CDs and iPods, let alone be willing to pay for it. And four years ago, most of us wouldn't have imagined we would get our news updates on our watches.

During my four years as the CEO of the Newspaper Association of America, I have watched nearly every media industry shift dramatically in response to the ever-changing technology and consumption habits of our audiences.

The same holds true for newspapers. This industry has been around far longer than radio, television or telecommunications, and some critics have questioned how we will continue to remain relevant in today's digital world.

But today's numbers speak for themselves: In the United States, the newspaper digital audience is skyrocketing, reaching 176 million unique visitors across all platforms in March (comScore, 2015). Circulation revenue is also rising, both in the United States and around the world. According to the 2015 World Press Trends Survey, global newspaper circulation revenue exceeded advertising revenue for the first time ever.

The reason? Newspapers are leveraging technology and audience data more than ever to create new content, products and services that attract audiences and advertisers. The appetite for quality content and information is insatiable, and over the last few years, we have transformed into an industry that adopts and utilizes the latest developments in social, mobile, print and video to better reach consumers with interesting and engaging content.

Let's look at a few of the ways the news industry has evolved:

1. SOCIAL MEDIA. These days we are always "plugged in," because we want to be up-to-date on the latest happenings. Increasingly, people are getting their news through social media. Newspapers have been successful in bringing the news directly to social media users. USA Today, for example, uses Snapchat to cover live sporting events through instantly-delivered photos and captions. Periscope, Twitter's live-streaming service that debuted in the spring, is being leveraged by reporters and media outlets as a way to give viewers the inside look at breaking news, sports events, and even political press conferences. The New York Times used WhatsApp, a messaging app that is

incredibly popular outside the United States, to broadcast information about the Pope's visit to South America to its international audience. And the experiment of Facebook Instant Articles, which hosts articles directly within its social platform for a seamless user experience, has seen initial interest by publishers as a way to attract new subscribers.

2. APPS. Newspapers have developed niche apps with customized content, such as the New York Times' Cooking App and the Denver Post's Colorado Ski Guide, to build on popular features and further engage specific audiences looking to more deeply explore their areas of interest.

3. PRINT SPECIAL FEATURES. While print products continue to provide the best quality for reporting local, national, and global news, newspapers have also evolved their offerings in response to readers' desires for quality leisure-reading. For example, some have begun offering expanded Sunday sections, such as the Philadelphia Inquirer's lifestyle section, "Live, Life, Love." Similarly, the Chicago Tribune has doubled its opinion pages, following the growing reader interest in local commentary.

4. NATIVE ADVERTISING. Advertisers are still taking notice of the growing audience and continued demand for newsworthy, useful content. This has inspired the recent interest in native advertising, or sponsored content, which doesn't disrupt the reader experience and provides more valuable and relevant information. This approach gives people more of what they want – quality content – and less of what they don't – a sales pitch – while driving traffic to advertiser sites and their products; all while being tailored to their specific interests. Native advertising improves ad performance, and combining native with social media is an advertising "1-2 punch," particularly as people get their news increasingly through social media channels. Ensuring native ad content is consistent with a publication's trusted brand and reputation is of utmost importance to our members that has allowed newspapers to become leaders in this growing form of advertising.

5. NEW REVENUE STREAMS. Less than a decade ago, 80 percent of newspaper revenue came from print advertising. Today, the revenue stream is much more diverse with less than half of total revenue derived from advertising in the traditional daily and Sunday print products. Event marketing, digital marketing services, and increasing circulation content along with other sources account for the bulk of newspaper company revenue.

Much has changed in four years, and I can say with confidence that the newspaper industry is poised to continue evolving with new technologies and engaging content in the years to come. It's been an honor to serve as CEO of NAA during the last four years and I look forward to cheering the industry's continued success.



Phil Drake

Phil Drake assumes role at Tribune Capitol Bureau

Phil Drake is the new Tribune Capitol Bureau reporter and columnist in Helena.

He joins a long line of distinguished journalists who have worked out of the longest-running independent newspaper state bureau in Montana.

The Tribune has a strong commitment to keeping readers informed, and we believe strongly in staffing a bureau at the seat of state government in Helena. Many actions by the judicial, legislative and executive branches affect Montana residents, and we want someone on the scene to explain what is happening and to provide thoughtful, incisive and in-depth coverage of the state and federal government from Helena.

PEOPLE and PAPERS

Farewell

After more than 33 years of service, Lone Peak Lookout to cease publication

Lone Peak Lookout, September 3, 2015

The Lone Peak Lookout weekly newspaper that has served Big Sky for the past 33 years is printing its final edition today.

“Of course all our staff members are devastated by the news, but we understand the financial realities of publishing a newspaper,” said Wayne Adair, 10-year editor of the Lookout. “The advertising revenue simply has not been adequate to offset the operating expenses of what we consider a fine weekly newspaper.”

The Lookout’s staff was notified of the decision earlier this week.

Stephanie Pressly, president of Big Sky Publishing that operates the Lookout, as well as the Bozeman Daily Chronicle, stressed the decision was based on finances.

“This move clearly has nothing to do with the quality of the newspaper – recipient of MNA’s 2015 General Excellence award – or of its staff,” Pressly wrote in a letter to Big Sky Publishing staff this week. “Mary Buchli, our 14-year salesperson, has done an outstanding job representing the newspaper and assisting local businesses. She is truly part of the Big Sky community and will likely work on special projects with us into the future. Wayne Adair, Lone Peak’s long-time editor, produced the area’s only ‘real’ newspaper. He announced his pending retirement several weeks ago and will spend his time in Hamilton, Montana. Laura Bell, our two-year reporter, announced a few weeks ago her move to Vail, Colo., later this month where her daughter is training with Ski Club Vail and the U.S. Ski Team National Training Group.”

Kevin Kelleher started the Lone Peak Lookout in 1982 and owned and edited the newspaper until Pioneer News Group acquired it in the mid 1990s.

Adair expressed his gratitude to the Big Sky community for their long-time support of the newspaper and the entire staff.

“It’s been nothing short of a privilege to have edited this newspaper in an area so blessed by scenic grandeur and populated by intelligent and involved individuals. I believe this newspaper was an important cornerstone of the community by providing vital local news coverage unavailable anywhere else. I feel sure we will be missed.”

Kaimin selects new editor-in-chief, business manager, looks forward to change

The Montana Kaimin has announced that Cavan Williams will serve as the editor-in-chief, and Meg Dowaliby as the business manager, to lead the Kaimin staff for the 2015-16 academic year.

Last month, the ASUM Publications Board selected Jordan Purinton as editor-in-chief. However, after a staff meeting last Monday, Purinton announced that he would be stepping down from his position.

“I took a look at what I could realistically expect from myself next year and I decided that myself, and more importantly the Kaimin, would be better off with someone else in that role,” Purinton said.

Immediately following his decision, Purinton and Nadia White, the Kaimin’s faculty advisor, and Hunter Pauli, the Arts and Culture editor, met to discuss who was most fit for the position.

Cavan Williams, a news reporter for the Kaimin this past year, was motivated to fill the position in the midst of the publication’s redesign plans.

After Williams received the Carol Van Valkenburg Scholarship at the School of Journalism’s annual Dean Stone Scholarship Banquet, the decision became more clear, Purinton said. The scholarship awards a full year of tuition to an outstanding editor at the Kaimin.

The Publications Board approved Williams for the editor-in-chief position.

Williams said that because the passing of the torch hadn’t gone as expected, it was imperative the Kaimin find someone motivated to help with the transition into next year.

“It’s not just going to be campus news. People have different interests and we’re trying to branch out and reach those different interests,” he said.

The Kaimin organized a redesign team to revamp the paper for next fall, including a weekly printed Kaimin that would be delivered in color and would focus on feature writing, while daily news will be delivered on the Kaimin’s website.

“As far as producing a weekly, I think there will be a learning curve, but I think we’re capable of creating an amazing weekly for the students,” Williams said.

The changes forced the Kaimin staff to rethink their purpose as an independent, student-run publication and how to define their role for the student community at UM.

“It’s a big school, and if the fire alarm is pulled, they’re going to want to know why, and they’re going to look to us,” Williams said.

Williams and the rest of the Kaimin staff will work alongside Dowaliby. Her key role will include managing advertising representatives, making the Kaimin’s financial decisions and managing the business team alongside Ruth Johnson, the Kaimin’s office manager.

“Students better get ready to have their world rocked through the Kaimin. I think it’s going to grab your attention,” Dowaliby said.

A recent decrease in enrollment at UM and less ad revenue caused the Kaimin’s budget to be tighter than usual, resulting in an increased level of debt to ASUM. To combat this, the Kaimin has placed a fee-increase onto this semester’s ASUM ballot. The vote will take place April 29 and 30 on students’ Cyberbear accounts.

Dowaliby and Williams agree that if the fee increase passes, the debt will decrease and the redesign will be smoother and more effective.

“We’re doing better financially than last year. We still have that loan to pay off, but we’re taking purposeful steps towards getting ourselves to a healthy financial state,” Dowaliby said.

The current Kaimin staff has already begun promotional efforts to gain support for the fee increase, utilizing social media, short Instagram videos and posters to spread the word.

The fee increase will allow the Kaimin to reach out to the student body more effectively and thoroughly through the redesign, Williams said.

“If we don’t get it, nothing’s going to change or hurt us, but it wouldn’t be bad to have it to be able to carry on for another 100 years,” Dowaliby said.

PEOPLE and PAPERS

Time for lawmakers to strengthen Montana's sunshine laws

Independent Record editorial, September 9, 2015

Montana's continued secrecy with information that should be released to the public is now threatening not only its citizens' right to know, but also federal money intended to protect children.

As we've written in the past, many of the organizations that evaluate government transparency consistently rank Montana among the worst states in the nation.

We in the media have experienced the problem firsthand, as government officials routinely ignore or reject our requests for information of high public interest. And unless we're able to force disclosure with a costly and time-consuming lawsuit, that often means the Montanans we serve don't get information they need to determine what their government officials are doing or how their tax dollars are being spent.

Now it's the federal government raising concerns with Montana's closed-government culture. And the U.S. Department of Health and Human Services is threatening to discontinue an annual \$120,000 grant for child abuse prevention if the state continues to withhold details about children who die at their caregivers' hands, the Associated Press reported.

While officials with Montana's Department of Public Health and Human Services acknowledged that public awareness about child abuse deaths is needed to "bring systemic changes to improve the safety of children," they say a state confidentiality law prevents them from releasing the information.

Montana's overzealous confidentiality laws appear to be the root cause of the problems we are experiencing, too.

The state allows records to be withheld if a person's right to privacy is deemed more important than the public's right to know. But without specifying what type of private information crosses that line, the vague privacy exemption is used a lot more frequently than it should be.

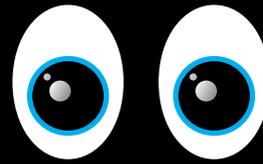
Federal rules require transparency in cases where a child dies from abuse or neglect. And in an attempt to preserve the federal grant, Montana DPHHS officials said they would urge the 2017 Legislature to pass a law bringing the state into compliance.

We hope this issue will finally convince state lawmakers that government secrecy comes with consequences and serve as an impetus for comprehensive transparency law reform.



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PEOPLE and PAPERS

Lee Enterprises hires two reporters to cover statewide issues

Lee Enterprises' Montana newspapers have hired two reporters with strong Montana experience who will be deployed across the state to cover state government with a focus on enterprise and investigations.

Jayne Fraser, 24, a multimedia and investigative journalist, comes to Lee from the Houston Chronicle, where she worked for three years in a variety of reporting roles.

Holly Michels, 31, has worked at the Billings Gazette as city editor, as well as night editor. She's also been managing editor of the Helena Independent Record and a reporter for the Montana Standard and Ravalli Republic. She is a graduate of the University of Montana School of Journalism.

Her emphasis will be on narrative journalism, while Fraser will focus on investigations and data reporting.

"Jayme and I will be crisscrossing Montana to bring readers the stories of the people and places that make our state such an incredible place," Michels said. "I can't wait for the challenge."

Both reporters will be tasked with covering state government and how it affects Montanans in their daily lives. "It's a more modern and reader-focused approach to covering state government," said David McCumber, editor of The Montana Standard. "While the reporters will be in Helena when the Legislature is in session, they will be traveling the state the rest of the time, helping to set the state's agenda with high-impact, multiplatform news coverage."

Fraser, a Wyoming native, also is a graduate of the University of Montana Journalism School. She won a nationwide competition to secure a spot in the Hearst Fellowship professional development program. She also interned at the Missoulian, the Seattle Times and the Oregonian. After being hired by the Chronicle, she covered a wide variety of topics in Houston and its suburbs, writing both daily stories and more detailed investigative projects.

"Like so many people who leave Big Sky Country, my husband and I had lamented that our career choices would likely mean we couldn't move back," Fraser said. "I'm eager to start this new adventure."

Fraser and Michels were selected from a competitive field of candidates by the editors of Lee's Montana newspapers. They will report to McCumber, along with Darrell Ehrlick, editor of the Billings Gazette; Greg Lemon, editor of the Independent Record; and Matthew Bunk, editor of the Missoulian.



Holly Michels



Jayne Fraser

SALES and MARKETING

Do you know the true cost of a sale?

By Neil Tanner, CEO, NRS Media



Neil Tanner

Bringing in new customers is essential to the long-term future of your business, but do you know how much it costs to bring in each sale? We offer some advice about how to calculate these costs and how to minimize them to increase your profitability.

Calculating the cost of a sale

It's estimated that it costs an average of seven times more to bring in a new customer than to keep an existing one. But what are the components of that cost?

There are a number of elements that make up the cost of the sale. These can be broken down into:

1. Direct costs

For advertising sales, these are made up of the following elements:

- Basic salary for your account executive
- Additional commission costs
- Car/mileage allowance
- Health insurance
- Pension
- Cost of tax and National Insurance

2. Expenses and overheads

Each member of staff will also carry a portion of your overheads, too. This includes:

- Management overheads
- Finance, admin and HR
- Property expenses
- Office/IT expenses
- Communications
- Training and recruitment
- Advertising and promotion
- Legal and accounting fees

So, to calculate your cost of sale:

1. Work out the cost for each account executive
2. Calculate the portion of overheads that they carry
3. Add these two together
4. Divide this figure by their revenue target for new customers and x100
5. This will give you the cost of sale for new business as a percentage

You may be surprised by the figure you reach. It's easy to overlook these costs as they are part of your day-to-day running costs, but there are ways to reduce them.

Ways to reduce your cost of sales

Go for the big boys

The Pareto Principle states that roughly 80 percent of the effects come from 20 percent of the causes. This is true of customers where, for many businesses, 80 percent of the revenue comes from 20 percent of your customers.

By targeting these types of customers, you'll obviously reap the rewards for your business and the sales often don't take any longer to close. That means the costs are the same, but they offer more value to your organization.

Find the right fit

If you can identify the right prospects, you'll be knocking at an open door. Of course, that's harder than it looks. Review your existing customers and see if you can identify any patterns, not just in their segment and spend, but also in their behavior. Then look for prospects that are similar.

Finding the right fit for your customers means they're more likely to stay with you, too, increasing their value in the long-term.

Outsource some or all of your customer acquisition

By outsourcing your sales, you minimize the risks to your business and often reduce the costs, too. You only pay when you have guaranteed new business, so there are no costs until the sale is closed.

You also won't need to pay for many of the fixed expenses in your cost of sale, so your acquisition costs are likely to be much lower than having an in-house sales team. Alternatively, the right partner can help increase your capacity and support your in-house team by sharing specialist knowledge.

The right partner will also ensure that they are targeting the customers who will be a good fit and bring in more business.

Neil Tanner has been leading innovation and delivering business value for small- and medium-sized businesses for more than 20 years. Tanner comes from an entrepreneurial background and also was the business leader for small- and medium-sized businesses at Microsoft Ireland and Microsoft Canada.



ADVICE from the EXPERTS

Planning for growth a simple business strategy template

By Tim Berry, founder and chairman, Palo Alto Software

To help your business reach a high point, don't forget to build upon the basics. Here's a simple template for developing your business strategy.

Just about everybody agrees that strategy is useless without execution. But how do you take strategy down from the clouds and execute it at the level of the day-to-day business activities? I use a simple pyramid metaphor as a business strategy template. It starts with strategy at the top, includes the main tactics in the middle, and the concrete specific business activities at the bottom. I call it the IMO pyramid, which stands for business Identity, target Market, and business Offering. What I want is to align strategy and execution on several levels.

Strategic Alignment

Consider first how your identity, market and business offering have to work together in your business's strategy.

Your Unique Business Identity

Good strategy is like silk: It's hard to define ahead of time, but easy to recognize when you feel it.

How is your business different from all others? What do you do better than anybody else? How would one of your customers describe your business to a friend? Answers to these and similar questions lead to establishing a sense of unique business identity. And in most businesses, it tracks back to you, the owner: what you're good at, and what you like to do.

Your identity might also be about your core competence. That's what your business does very well, better than your competition. For example, some retail stores specialize in wide selection, others in expert advice and others in low prices. Your business identity could be linked to fast delivery, response to customer requests, keeping things fresh or coming up with something that nobody else has. That's often a reflection of what the ownership likes, believes in and does well, and it should be what you emphasize in your branding and messaging. It's your unique identity.

Your Choice of Target Market

Your target market is a collection of strategic choices you've made. You can't please everybody. Your target market should match your identity and your business offering. Most businesses end up pleasing a certain kind of customer who particularly values what your business does best. Take, for example, who you'd guess would be the ideal health food store customer and think how different that person is from the one you'd imagine shopping in the mainstream supermarket. Compare your best guess of the ideal sports car customer with who you'd guess would be the ideal customer for a minivan.

Some say the best way to define target market is by who isn't in your target market. The typical health food store doesn't want bargain hunters. Sports cars aren't a good fit for families with kids.

Your Business Offering

Business offering is my way of saying product or service. That's the food the restaurant serves, the merchandise on the store shelves, the services a business offers. Unless the business offering is what the target market wants or needs, what you're offering is not going to work. Your specific business offering has to match your identity (what you like to do and do well) and your choice of target market (the people who value what you put forward).

Building Your Strategy Pyramid

The business strategy template pyramid helps to develop vertical strategic alignment, which is what I call it when your company's strategy, tactics and concrete specifics match. You can see the alignment on each of the three pyramid faces. On each of them, strategy at the top depends on tactics in the

middle for execution. The tactics themselves are built on the concrete specifics along the bottom, such as dates, deadlines, budgets and responsibilities. Strategy without tactics is useless. Tactics without concrete activities are useless.

If you own a restaurant, for example, assume your restaurant's identity is rooted in really good-tasting, but healthy, food, which is what its owners believe in. Your identity-related tactics might be as simple as finding chefs and servers who believe in the same things. Your concrete specifics to execute on that identity would be the employee policies, compensation plans, benefits and perhaps even the choice of location and the layout of—and equipment in—your restaurant's kitchen.

Your restaurant's strategy would be to market to high-end diners who appreciate healthy gourmet food, and your marketing tactics, including pricing, signage, messaging and promotions, have to match what works for that target market. (Special or featured menu items would probably work, but discount coupons and two-for-one offers would not be appropriate.) Location has to match the target market as well, so your restaurant would probably be located closer to your target diners than to your employees, and would offer convenient parking. One example of concrete specifics might be expected numbers of weekly Facebook posts and tweets aimed at these diners, with links to web content related to healthy gourmet eating. Another might be dates and deadlines for special gourmet nights, or dates and budget for sponsoring a related local event like a healthy cookout competition.

For your business offering, your restaurant would put healthy organic gourmet food, sourced fresh and local, at the top as your strategy. The product tactics would include what kinds of foods to offer at what general pricing level, as well as the layout of the dining area. And the concrete specifics would include the menu and pricing (yes, pricing reappears in market and offering), the daily specials, the sourcing of the food, how often the menu changes, and so on.

The Result: Alignment and Execution

Good strategy is like silk: It's hard to define ahead of time but easy to recognize when you feel it. I bet when you think how this business strategy template pyramid would apply to the successful businesses you know, you'll be able to see, after the fact, how their strategy matches in identity, market and offering, and how their main tactics and day-to-day specifics match their strategy, too. And I bet when you take some time to think about your business and its underlying pyramid, it will likely give you a better idea of what you're doing well and what you might want to improve.

And that, in the end, is strategy you can execute. So it can help make your business better.

