

Tink Ink Publications Publishing Opportunity

Who We Are

Tink Ink Publications is owned and operated by Kim and Scott Tinkham. Tink Ink began publishing youth and family publications in 2003 and currently publishes Wise Youth Today, Parker County Kids and Ice Times Magazine. Kim and Scott have successful backgrounds in sales, marketing and entrepreneurship:

J. Kim Tinkham, 51 has over 30 years experience in sales and personnel management including 10 years experience as owner of a business with over 50 employees. Kim is currently Executive Editor of Tink Ink Publications. Her accomplishments include published author, motivational speaker and contributing writer for various national and local publications. Kim has appeared on Oprah, performed in infomercials and done voiceover talent work.

Scott Tinkham, 47 has over 19 years of business ownership and entrepreneurial experience. Scott is currently Publisher of Tink Ink Publications. Scott holds a Bachelor of Science degree in Marketing.

Tink Ink is based in Boyd Texas a rural community about 30 miles northwest of Fort Worth, Texas.

Tink Ink
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Scott is the primary contact for questions and challenges regarding marketing and business start-up for new publishers. Kim is the primary contact for questions and challenges regarding sales, printing, graphic art, ad design, press-ready production and websites.

What You Need To Be Successful As a Local Publisher

The primary skill one needs to have or develop is **SALES**: the ability to convince local businesses that advertising in *your publication* is the right decision for them. To be successful, you must work hard, both on the phone (making appointments) and in person (making presentations), and be organized to handle the varied tasks of a publisher.

While a lot of work will be done by subcontractors (graphic artist, printer, etc.) you must spend some time either supervising these vendors/subcontractors or reviewing their work. You also need to handle billing, collections, and database management. We do not recommend that you do the graphics yourself during start up. Tink Ink can provide this service for you. Even if you have graphics experience, your time (initially, at least) is better spent on working with potential new customers than typesetting ads. By hiring Tink Ink or another vendor, you can also avoid having to invest in expensive computer equipment or software. However, if you do decide to do your own graphics, you will be pleased at the support Tink Ink gives in this area, and you might be able to minimize harm to your sales efforts if you work nights or weekends on graphics and reserve daytime for sales.

If you do not have a sales background and are not going to partner with a salesperson, we urge you to think through what is involved in selling ads and make sure you have the interest and/or skills to be successful. Any type of sales experience can be helpful, as can former publishing, graphics, writing, editing or basic business experience. But the main activity, initially, must be focused on sales, so you need to be comfortable with what that entails.

Here is how the sales process works. Much of the time you spend will be on the phone, calling business owners (advertisers). We don't advise you to try to "sell" ads on the phone; instead, use the phone to make appointments. You want to make about 10 appointments per week. If you spend about two days on the phone setting appointments, you should spend another two days going on appointments and that will leave you with an additional day for follow-up, more sales calls, or other activities. When you go on appointments, you need to "sell the concept" as well as the ad. This means you must spend some time on educating the business owner about why he or she should want to reach your publications readers, and how your publication achieves this effectively. Remember, while you will understand the concept fully, your advertising prospects will need some quality time with it before they will be on board. So about half of the appointment is used to explain your reader demographic and how you reach it, and the rest is focused on closing the sale and answering objections. If you have done direct sales before, you might find being the Owner/Publisher makes it easier to sell. For example, you can make deals with potential customers to get a commitment on the spot, instead of having to get a boss's approval. Also, you don't have to pay a sales commission when you sell the ad yourself, so you can have more

flexibility on price. Since it's your business, you will have a very strong motivation to be successful. Marketing activities can also be valuable, but do not let them be a substitute for direct sales.

Attending and joining local networking groups or the Chamber of Commerce are good things to consider.

E-newsletters can also be an effective supplement to your sales activity. You can also add businesses and community leaders to your list to increase visibility and response from the business community. We recommend targeting local businesses that you see already advertising in your local newspaper in particular.

A publication must have a valid website and email address to receive communications from prospective advertisers. In addition, you can refer advertising prospects to your media kit located on your website. This site will show your current issue as well as provide general advertising information. Tink Ink can also provide this service for you.

The reasons vary for publishers who have not been successful. Most common is simple failure to sell enough advertising to grow the business and pay the bills. This can usually be traced to not making enough appointments on the phone. Other problems publishers have encountered include changing interests, too much competition, inadequate sales skills or efforts, seasonal business climate, or running out of funds before the business can earn them a salary. Plan on at least six months from when you start before you can consider taking any salary out.

Gaining the skills to sell successfully takes practice. Absorb the training we provide, and then practice selling good accounts on 12x contracts. If you put in the time, make enough calls to secure 10-15 appointments per week, and master the sales techniques, you are well on your way to being successful. And if you are experiencing problems in any of these areas, give us a call for assistance.

Production Of The Paper

While selling ads will be your primary task, you will have to line up various vendors/service providers to produce your newspaper. With our advice, you will look for a local printer, a graphic artist and photographer. We recommend finding a couple of freelance writers to do some local features. Your paper will be put together locally, using the articles we suggest in the model, local articles you produce, clip art and fillers, and the ads you have sold. All of this is discussed as part of our consulting service.

Your Competitors

In a sense, all advertising services are competitors, because some businesses only have so much money they can devote to advertising. While our niche is very targeted, we are often lumped together with other publications or newspapers. One of your challenges is to differentiate yourself from other advertising options that are available to the businesses. This is one of the reasons why "selling the concept" is so important. A good feature of being a monthly publication is that it is affordable: advertisers can buy just one ad per month and be in every issue, so an ad in your publication can often be added on to whatever advertising the business is currently doing without a great financial investment.

Competitive Advantages

Our Model enjoys the following advantages over its competition:

- Family oriented youth based medium.
- Pass along design, magazine format, and color cover.
- Features pictures and articles about local kids and their families.
- Pricing, comparable price to the competition but for the price of a one time newspaper ad your publications ad will be made available to be seen for over 30 days.
- Goodwill, Public Relations, Community involvement, businesses that advertise in your publication are perceived to be supporting the youth of the community through their advertisement. Their ad makes the publication possible. Their ad helps recognize, motivate and inform the youth in the community their customers live.
- No bad news or non-family friendly items next to your ad. Because your publication is not a newspaper your ad will not appear on the same page as a fatal car wreck or a Beer Barn ad.

You can tailor a program to fit an advertiser's needs, changing requirements, and budget. For example, we offer a wide variety of ad sizes and length of contract terms. Ad copy can be changed monthly if necessary. We can also place ads next to pertinent editorial. All of these options boil down to flexibility. If a local business wants to reach the family market demographic, we can most likely help them. So if you talk with one of these businesses, try extra hard to set up an appointment, even if they are locked into a contract with another vendor.

Spend your time with business owners who want to reach your reader demographic. Those are the people who will take out larger ads, buy add-on services, and stay with *you* the longest. For many businesses, you can

assume they want to reach your reader demographic. The question is how much can they spend to target this valuable market, and what package of services can you offer them. When a business truly understands the valuable niche market we target, they are often very receptive.

Timeline and Training

New publishers typically take two to four months to produce their first publication. Once you have been approved, we will set up your Initial Consulting schedule. We spend a day focused on sales and a day focused on content / layout, graphic production, printing and distribution. Sales topics include product knowledge, telemarketing, presentations, answering objections, handling ads, policies, collections, and paperwork. Editorial/graphic production topics include hiring local writers, working with your graphic artist and printer, the printing process, computer design overview, database management, billing, and newspaper design and layout. There is plenty of time for questions and concerns. After training, you are ready to begin selling. Count on six to 12 weeks of sales time prior to your first issue. When you are ready to publish, you should have between 10 and 40 ads for your first issue. Besides selling, your major start-up activities include finding a local printer, graphic artist, setting up your phone line, fax line, and post office box, hiring a local freelance writer or two, hiring sales help, if you wish, and printing letterhead and other materials.

Financial Considerations

I. Our Fees

- Initial Consulting \$5,000 for 30 days.
Includes sales and marketing templates
- Publication graphics and pre-press production \$1,500 per month (3 month minimum)
Includes template in InDesign PDF
- Website design and set up \$400
- Ad creation 10%

II. Your Expenses

We advise you to keep your other expenses to a minimum during your six-month initial period (or until you are sure the business is working for you.) Besides your time, other major start-up expenses should include a computer, a fax machine, travel to Texas for training, letterhead and business card printing, car and insurance, and miscellaneous expenses like phone bills. You should be able to keep these and other expenses below \$3,000-\$5,000. Keep in mind that if you need or want to purchase a lot of equipment, rent an office, or hire help, your initial costs may be considerably higher. Publishing won't start right away. For your first 2-3 months or more, you will be focused on sales. So if you don't sell enough ads to start when you planned, you can delay your first issue and give yourself another month to sell more ads. When you are ready to publish, you should have enough ads to come close to breaking even, or maybe even earn a profit. If the average sale is about \$150-\$200, you would need about 20 accounts to cover direct expenses. Typical on-going monthly publishing expenses for a 32 page paper with 2 flats of color include the following:

Printing (3,000 copies):	\$1,500 (More for slick/whiter paper or more color flats)
Graphic Arts (up to 32 pages):	\$1,500
Local Writer / Photographer:	\$ 100
Misc:	\$ 250

These costs are estimates and may vary in your local area. You may spend more or less, depending on your situation.

Total estimated minimum monthly production expenses: \$3,350

There may be other expenses, depending on your situation. Generally, you can keep your overhead low if you keep the number of pages you publish down. Only grow your paper when you have the ad revenue to fund it. We do not recommend renting office space. Hiring outside sales help or telemarketers to set appointments is an individual decision. We have found that the investment usually pays dividends. If you look at the funds spent by the typical advertiser over a 12-time advertising contract, and you consider the fact that your cost to run ads can be very inexpensive once your paper is publishing, it is easy to make the up-front investment pay off. You will spend valuable time hiring and training people, though, and your return on your time and whatever salary or commissions you pay these independent contractors may not be realized for many months. So the decision to hire people is yours, and you should consider the short-term cost versus the longer-term benefit.

Distribution

The publication will be distributed in racks that are located in high-traffic and high-visibility locations. Locations can include doctor's offices, supermarkets, restaurants, fitness clubs, daycare facilities, banks and libraries. Any place people have to wait or will frequent at least once a month.

Income Potential

There is great income potential in the publication business. First, ads are sold at a high profit margin once you cover your expenses with your initial group of ads. Second, you are not limited to how many ads you can accept. Finally, if available, you can publish multiple editions and gain sales and production efficiencies while greatly increasing the number of businesses you can solicit. Being successful demands a nearly full-time commitment to sales. We advise a minimum of 15-25 hours per week in the field going on appointments, with another 10-15 hours on the phone setting appointments. If you cannot devote the time to sales, plan on hiring sales or telemarketing help or getting a partner (or have the funds on hand for potential slower-than-anticipated growth of the business). Once you are publishing, it costs you almost nothing to place an ad in your paper. Other than the initial cost of typesetting the ad, the space the ad occupies is taking up editorial space that earns you nothing. So you can argue that selling a new advertiser is virtually 100% profit. So your goal from a sales point of view is to sell as many ads as possible (volume sales.) Once your paper starts to grow in pages, your expenses grow much more slowly than your potential income. Tabloid newspapers are printed in four-page increments. As you sell more ads you have to add pages. For example, to increase publication by four pages costs an additional \$300 (approx.). In the four additional pages, however, up to \$2,000-\$2,500 or more of advertising can be sold (depending on what you sell the ads for, of course, and any add-on services that you might also sell, like color). So keep your expenses down and only add pages when you must, based on ad sales.

Do not expect to earn any net income during your first six months, and maybe longer. Realistically, you should plan to build gross revenues to at least \$5,000 per month before you can start earning a salary. Depending on your average sale, that could mean between 25-30 advertising accounts. As a monthly publication, it is best to have advertisers in quantity. Your goal should be to get to about 60-75 advertisers or more, per edition. If you can reach and maintain that number (by selling new accounts each month to replace any that drop out) you can achieve high income with steady customers and a minimal amount of additional effort. At a high ad count (60-75 ads) papers typically net 40-60% of gross billings as profit. This also depends on the collections effort and other expenses that you may choose to incur. For example, you might decide to sell ads inexpensively and this will affect your profit level. You might also hire sales help or extra writers. The key thing is that you can choose many of your expenditures based on your own situation. On the high end, a single publication has the potential to gross \$10,000-\$15,000 a month. (Expenses will undoubtedly be greater than indicated earlier as you may decide to have a higher circulation, run more color, do additional distribution, etc.) You can also increase your advertising rates to offset some of these additional expenses or programs, though.) Sometimes publishers decide to offer substantial discounts. This might make sense when you are getting started (to get your initial group of advertisers), when you have multiple editions, or when you have just added pages and you have extra space. It is best to offer discounts that expire after a couple of months (first two or three insertions). A second edition could have the same number of ads as the first, with lower gross revenue because of discounted ads, but still have a healthy profit because of production efficiencies.