


AGENDA

- What is Block and Prospect?
- Objectives
- Earning a media shift
- How to's and benefits
- Cold call reluctance and overcoming the roadblock
- Simplifying the sales process
- Packaging and proposal benchmarks
- Results and success stories
- The importance of measurement and reinforcement in program success



What is Block and Prospect?




Block & Prospect is GateHouse Media's New Business Program

Built on Three Guiding Principals:

Our competitive landscape has never had more pressure. As such, we need to resource our team, elevate our efficiencies in sales and management and increase qualified account activity to make gains in revenue

Our advertisers' competitive landscape has never had more pressure and we need to provide increased value for our advertisers and resource our clients to assist them in their efforts to grow market share and revenue

Today, advertisers do not make choices based on what they want...They make them based on what they need... as such we must define, simplify, and strengthen our sales process & value proposition to earn advertisers' investments



The Objectives We Set Out to Achieve

More Deals Better Deals

- **Increase active account volume**
 - Increased qualified account activity and strengthen our sales process to sign more deals
- **Increase contract size**
 - Increase multimedia sales
 - Increase contract length

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Block & Prospect is GateHouse Media's New Business Program

The macro of our program is to earn a media shift


While 8 in 10 advertiser categories surveyed expected to moderately increase their ad spending...they also expect to spend it over more media platforms....*

What that told us....

We need to **move ad spending from competitors** to our platforms....and we need to **be prepared to earn it**



Borrell Survey SMB Print Advertisers Survey 2011



Foundational Elements for Success

Full staffing.....healthy staffing
What % of the individuals on your team are making goal?

Commitment to the structured process and daily/weekly activity achievements

***"Media Shift"* account targeting**

Management of key metrics

- Staffing
- Qualified presentations
- Closing Ratio
- Average Sale

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Earning a media shift starts at qualified account targeting...



Direct competitive media is the one of the top sources for qualified prospects as the advertiser already buys, has motivation, and budget

- Competitive print including newspapers, yellow pages, local magazines, deal sites Online: all local media websites as well as other local sites

Indirect competitive media is the one of the top sources for qualified prospects as the advertiser already has motivation and budget

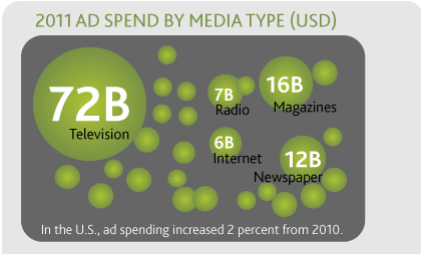
Radio	Billboards	Transit advertising
Broadcast and cable TV	Direct mail	Movie theaters
Digital Out of home	Event marketing	Sporting arenas

Referrals, Ad Mall & Lead Gen!!!

Earning a media shift starts at qualified account targeting...

ADVERTISING & AUDIENCES BY MEDIA TYPE



2011 AD SPEND BY MEDIA TYPE (USD)

Media Type	Spend (USD)
Television	72B
Magazines	16B
Newspaper	12B
Radio	7B
Internet	6B

In the U.S., ad spending increased 2 percent from 2010.

- Spending on cable TV has increased steadily over the last few years, up 42 percent from 2007.
- Automotive was the largest category for advertising spend across all media
- More than twice as much as the second-largest category—quick-service restaurants

YOY % CHANGE IN AD SPEND
+5.4%

CABLE TV
YOY % CHANGE IN AD SPEND
-.5% Network TV

Neilsen 2011

Block & Prospect

Earning a media shift starts at qualified account targeting...

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In the U.S., ad spending increased 2 percent from 2010.

Why targeting cable advertisers is a MUST...

- Significant revenue opportunity
- They sell audience
- They typically want a larger footprint and will be larger geo campaigns
- **We can do it better....**

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Earning a media shift starts at qualified account targeting...

Annual Radio Revenues
(US\$, billions)
2009-2011

Year	Revenue (US\$, billions)
2009	\$16
2010	\$17.3
2011	\$17.4

Source: Radio Advertising Bureau

The Radio Advertising Bureau (RAB), which reported in February that radio revenues edged up in 2011, finishing the year at \$17.4 billion, up about 0.6% from \$17.3 billion in 2010.

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Earning a media shift starts at qualified account targeting...



Why targeting radio advertisers is a MUST...

- Significant revenue opportunity
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We can do it better....

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Earning a media shift starts at qualified account targeting...




Why targeting franchise and category successes is a MUST...

- Think "scalability" whenever possible
- We have proven success
- They are low hanging fruit



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How To's

Structured Time Management and Sales Activity Targets

How to's

- All sales team members have the **same** macro weekly structure
- Qualified target lists are centered around advertisers monitored from **competitive media**, **Ad Mall** and **referrals**
- All Sales Team Members are set a **minimum of 5 new advertiser meetings a week**
- Training includes scripts and **best practices on setting qualified meetings** with owners/ vps of marketing and influencers; those not reaching activity targets receive coaching
- Compensation, certification and recognition **reinforce** the behavior of delivering new advertiser revenue

Block & Prospect

Making it work


- A steering committee of strong Sales Leaders from markets large and small were involved in the development of the program...making it relevant, scalable and a unified strategy
- The program prioritizes time to develop new accounts
- Managers and MM Sales Executives have a mile marker for setting 5 quality advertiser meetings and for # new advertisers secured
- Metrics are demystified for all... and success is derived from prospect quality/call volume/pitch. As skill improves, results come from less calls





Block & Prospect is the first step in a streamlined sales process

Block & Prospect Pre call Prep & Needs Analysis Value Proposition Packaging & Proposal Creative and Close



The Ad Mall Diagnosis Call:

- Category and market specific analytics
- Focuses sales calls on the mission of helping the advertiser increase revenue and capture market share
- An opportunity to learn total advertiser spend for packaging and proposal benchmarks
- An opportunity to help advertisers tap into co-op funding




A Streamlined Sales Process

Block & Prospect Pre call Prep & Needs Analysis Value Proposition Packaging & Proposal Creative and Close




Our Sales Presentation helps Multimedia Sales Executives Communicate:

- The Power of Print
- The increased impact of multimedia solutions
- Our capabilities in helping them increase their ROI



Block & Prospect

Market Potential Starts with Advertiser Potential




Packaging and Proposal Benchmarks:

What share of advertiser budget should we get?

SMBs surveyed estimated **35.3%** of their ad budgets would go to local daily, weekly or semi-weekly newspapers


SMBs surveyed estimated that another **15.2%** of their ad spending would go to online and that this number would grow to **20%** by the close of 2011

Borrell Survey SMB Print Advertisers Survey Q4 2010 and Q1 2011



Block & Prospect

Momentum is building...



In the first month of implementation

- Dover, DE booked \$180k
- Canton, OH booked \$200k

Blinder Market Initiatives 2012

- We have increased our average market revenue 17%

In April

- We booked 2,005 new advertisers and \$2 M booked revenue
- Average contract \$1,011

The Success Stories are impressive

"I am from a 2000 circ publication and I sold my first \$10,000 deal"

"I turned a non-advertiser into a \$16,000 advertiser"

- Kathy Jo Robbins, Sales manager
Dover Post
Dover, Delaware



Momentum is building...

Block and Prospect has been a game changer for us. Although we're not satisfied with our implementation yet, it has been a key tool in changing our culture from "running the route" to actively targeting and closing new business. **So far this year, my team of 26 sales executives has generated 437 new accounts,** a sizeable improvement over prior year, and more importantly, we are doing a better job of selling campaigns and packages than ever, especially digital components.

Digital sales are up 48% against prior year and B&P helped us get there.

-Chris White
Senior Vice President, Sales & Marketing
The Repository
Canton, Ohio




Momentum is building...

Block and Prospect has helped us grow our new business revenue as well as creating a beneficial habit for my Multi Media Sales Executives. Each week my team has incorporated looking for new business and setting the appointments to achieve our revenue goals. I have four Daily and two Shopper MMSE's who have used the Block and Prospect plan in attaining 205 new business contracts and \$133,478 in revenue since the beginning of 2012. These numbers prove that by utilizing the Block and Prospect plan that any market size can reap the rewards of a well-planned plan!

-Deb Werner
Advertising Director
The Daily Telegram and Access
Adrian, Michigan





Momentum is building...

“We use block and prospect and Ad Mall to form a powerful combination that helped us launch a new RadarFrog coupon book with great success. We were able to create detailed and account specific target lists really go after new business, primarily in the food and service industries. Block and Prospecting was critical in closing business for this product and generate over **\$100k in new revenue this year**. We continue to use these powerful combination **weekly**.”

—Josh Trust
Publisher, Messenger Post
Rochester, NY




We are Committed to raising our results

Results require good measure....



- ☐ **Require passing training assessments**
- ☐ **Weekly measurement in sales reports**
- ☐ **Compensation for Sales Leaders and Multimedia Sales Executives is tied to Block and Prospect Results including incentives built to drive increases in new advertiser revenue and overall goal achievement**
- ☐ **Block and Prospect Results are core requirements of our Inner Circle Certification Program**
- ☐ **Additional training for those below certification levels**