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and

Secrets of the Catalog Master

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CEO In a Box

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What does the Master CEO of a multi-channel direct marketing organization do every day? Here is a CEOs benchmark protocol that provides a start to answering that question. While many other responsibilities and functions exist for the contemporary CEO, if just these few, essential, foundation basics were covered we would have an industry filled with leadership and operational rainmakers. Here, then, is my protocol for evaluating a CEO 'out of the box.' For you who are CEOs, see how you are doing; for you who want to be CEOs, see what you have to know. For you who used to be CEOs, enjoy knowing what you don't have to do anymore and go play another 18 holes.

Finance

Big Picture. There is no doubt that finance has moved ahead of any other responsibility for today's CEO. This is reflected in the emerging consolidated ownership patterns, particularly where private equity groups and consolidation-driven corporations have taken ownership of direct marketing companies, such as the recent acquisition of Cornerstone Brands which was purchased by Home Shopping Network's parent company, IAC/Interactive Corp. Increasingly, these deals are driven by growth requirements rather than strategic need, as well as corporate valuations, and that is the realm of financial specialists who just happen to be working in the direct marketing arena. The fact that direct marketing continues to be attractive is, in great measure, because of the financial advantages multi-channel marketing has over other go-to-market

strategies and the long-term projected growth for the direct, multi-channel industry. With better than average returns, the buzz globally revolves around the financial attractiveness of direct.

Financing Costs. Because of the demands of growth and rapid channel expansion, today's CEO is faced with a need for financing for many parts of the multi-channel business. The relationships with banks, private equity groups, investors, shareholders, and other sources of financing require significant concentration. More important, the future financing needs of the business often demand working two to three years in advance of the actual need. Managing the costs of market and channel expansion, facilities expansion, personnel expansion, systems expansion, inventory expansion, and other infrastructural demands becomes a top priority for CEOs. For those CEOs of public corporations, the demands are ever-greater. Not only must the financial source relationships be built and maintained, but those with securities analysts, news media, and related watch groups must be tended to regularly.

Cash Flow. High on the priorities list in finance is the management of cash flow. Cash flow is divided into three components:

1. Operating cash flow. Also known as working capital, it is the cash flow generated from sales of the products or services of the company.

2. Investing cash flow. This is cash flow generated from non-operating activities and includes plant and equipment investments, non-recurring gains or losses, other sources or uses of cash outside of sales and normal operations.

3. Financing cash flow. This is the cash flow to and from lenders, investors, shareholders or other external sources.

The CEO's primary responsibility in cash flow management revolves around knowing when, where and how cash needs will occur; knowing the best alternatives for meeting those cash needs; and maintaining and strengthening relationships with bankers, investors and other sources of investing cash flow so that cash is available at an acceptable cost when it is needed. The tool for cash flow management is the cash flow projection, a short, intermediate and long-term chart of cash requirements to meet the strategic and operating objectives of the business. One of the most common misconceptions we, as advisors and investment bankers, encounter is that of the difference between profit and cash. A catalog's profits are of little significance if there is no positive net cash flow. Profits are not spent; only cash can be spent.

Attrition. The term attrition can apply to a variety of components. For most catalog and direct marketing CEOs, managing customer attrition is at the heart of financial management. Attrition involves both new customer acquisition (an investment) and retention of existing customers (maximization of lifetime value). If you think about it, these two metrics are the whole game. Everything else in the multi-channel direct marketing practice—products, merchandising, channel mix, people, quality, fulfillment, literally everything—comes home to roost in either customer acquisition or customer retention or attrition. Far too often, I encounter CEOs who do not know their current cost to acquire a customer, the historic cost and trend, the current and historical retention

percentages in all segments of recency, or the other mundane and routine base measurements of attrition and retention.

Systems and analytics. Financial performance is directly influenced by the availability and use of superb analytics and the systems to drive those analyses. Where CEOs have invested time and resources into top-notch analytic tools, the companies tend to be above average; where they have not, the companies tend to sub-average. Every catalog sale that I have encountered having superior analytics has brought a higher multiple of earnings and greater valuation for the seller.

In a multi-channel environment with a plethora of new customer sources ranging from catalogs to paid search to affiliates to organic search to broadcast, analytics must be both comprehensive and concise. Today, CEOs who manage through a 'suite' of analytics that are uniform, relational, predictive and replicable are moving rapidly beyond those CEOs who are still attempting to gather data about events that occurred six months ago. *No analysis that is six to twelve months old is of any strategic value*. That is the key management challenge facing the multi-channel direct marketing CEO.

And, of course, my favorite area of financial focus for CEOs is the use of fully optimized recency, frequency and monetary value extended over customer segments, products, channels, positions and divisions. Financial, marketing and circulation management by this timeless and invaluable analytic tool brings the highest return for the CEOs attention of almost any other element of management. And, yet, so few have mastered this foundation tool.

Reserves management. One of the great subtleties of financial management of a direct marketing company is the management of adequate reserves. This aspect goes beyond a simple reserve for bad debt. The Master CEOs are routinely managing reserves for obsolete inventory, facilities expansion, analytic system replacement and enhancement, paper price increases, promotions, postal increases, paid search fee increases, search word valuation, product development and R & D, creative makeovers, and a variety of 'rainy day' reserve accounts.

Budgeting and accounting. Unlike Mr. Ebbers, the successful CEO knows *everything* about the books. There are no surprises. In our finance-driven management structures of direct marketing that have evolved in the post-MBA decades, it never ceases to amaze me how many *big* catalog and online companies out there don't do budgets. Without objectives and financial targets, financial chaos quickly descends. The Master CEO is constantly tweaking the budgets and the financial objectives, but does so in a positive maximization of the financial performance, not in a corrective manner. That only comes as a result of near-obsession with financial landmarks.

Accounts receivable. For our business-to-business CEOs with large accounts receivable totals, aging becomes one of the daily attention areas. Inter-related with cash flow management, the overlay of the AR aging chart on the cash flow projection is a fairly direct roadmap for the business. Remember *Libey's Second Law*: *Cash now is better than cash later, in every instance*. Reduction of AR aging by two, three or more days is positively rejuvenating for cash flow. Actively managing AR aging is a skill possesses by too few of the catalog CEOs. Consequently, it is left at the AR level and is

not actively managed for optimal performance.

Credit and collections. The multi-channel CEO is faced with credit standards that may be different across different channels. A business-to-business credit threshold for a catalog customer may be very different from that of an organic search online customer. Collection policies may also be quite different. Equally important is the tight negotiation of credit card fees. Any reduction in the cost of credit for a business-to-business or consumer marketer drops directly to the earnings line. While a small percentage of the overall business, optimal financial performance in this are may add a point or so to earnings. Regardless, it is worthy of focus.

Product

I place product second in the hierarchy of CEO responsibility, second only to finance. While some say channel is king, product is still on the throne of direct marketing. The CEO has to be the primary champion and driver of product and needs to devote huge amounts of energy and attention to the following product strategy components.

Product selection and development. Product managers and merchandisers are important, but somebody has to be in charge. The best CEOs have a seemingly infallible understanding of their products and a laser-like focus on the customer's use and application of those products. You can give up much of the product sourcing and development responsibilities to product specialists, but the CEO is wholly responsible for the company's product *soul*. Product *direction* is a term that implies absolutism in product selection and development, and the CEO is the source of that absolute direction. The answer to the question, "Where do we want to go with our products?" is a question that ultimately must be decided by the CEO. Interestingly, the most successful owners and CEOs I have encountered in the catalog world have been product people, not financial people.

Market selection and development. In the same way, market managers are important, but somebody has to be in charge. Again, the best CEOs have an equally infallible understanding of the market or markets they take their products to and the customers that populate those markets. You may not do all of the contact planning or circulation planning, but the Master CEO *can* do it all if necessary. More important, because they can do it—and know it cold—they understand when the market selection, development and contact strategy is wrong. And that's why they are the CEOs. Think about this: How can you know product better than anything and not know about the market in which the product is sold? It's like being able to drive a car but not knowing how to go anywhere.

Competition. Something very interesting happens when I visit with CEOs, especially about acquisition targets. The CEOs of the very successful companies *tell* me all about what their competitors are doing; the CEOs of the not very successful companies *ask* me what their competitors are doing. The good ones have the whole product profile of their competitors in their heads; the mediocre ones have unanswered questions. Great CEOs *study* and *master* their competitors and learn to think like their competitors.

Profit margin. Among the product responsibilities is the genesis of product management for CEOs: *In the beginning, there was margin*. Every product has only one job: to create a profit. That only happens when someone imposes the requirement. I once worked for a not very good CEO who possessed few of the people or professional skills needed to be successful in the catalog business. But, he did know the precise margin of every single one of over 6,000 SKUs and he knew the precise margin at every quantity break for every product. He was a walking calculator. He managed the company by profit margin and profit margin alone. The company was very profitable. It wasn't a nice place to work, but it was profitable.

Product Value Comparison. The CEO has to be able to judge the perceived and actual value of all products and reconcile that judgment against competition, customer demand, customer retention, and pricing. For all products. In all markets. Across all channels. In short, the 'value proposition' is the domain of the CEO.

Product lifecycle. Today's CEO is faced with actively managing and optimizing the product lifecycle for all products. At any given time, there are products in different stages of development: R&D, introduction, growth, maturity, obsolescence. The question that must be asked and managed is, "What percent of all products are in each phase of the product lifecycle, what does this mean for individual product ROI, and what is the optimal management tactic for each product?" When the product lifecycle gets away, it is extremely difficult to get it back on track. When all of the products tip over into maturity, the prognosis is grave; when all the products tip over into obsolescence, the prognosis is death. I have in mind the ultimate specter I stumbled across several years ago while on an acquisition search: A catalog company doing $20 million with $14 million in inventory of which $12 million was obsolete. Valuation? Liquidation value only. Pennies on the dollar.

Not only lifecycle management is critical, but in a just-in-time environment where many products are being imported, managing inventory turns is, perhaps, management of the largest asset of the company. Today, there are huge multi-channel direct marketing companies managing for thirty-five turns a year and higher. With that degree of financial utility, the CEO is compelled to devote significant time and resources to supply chain performance.

Product sourcing. So many CEOs report they are spending one, two, three or more months a year overseas negotiating product sourcing contracts. What was once the responsibility of the 'purchasing agent' (a position that has all but disappeared), now the implications of 'Deep China' sourcing are so great that the CEO has had to accept responsibility for this major portion of profitability.

Logistics. Because of the importation of so much of the product line, the need for high turns, the need for improved profit margins, and the need for enhanced fulfillment due to channel migration and customer demand for speed, the CEO must focus on the in-and-out logistics of product management. Freight-in and freight-out has become highly specialized and contract-driven. Other aspects of logistics, such as systems requirements for drop-ship programs, stock purchase order management, automated order transmissions, order acknowledgements, advance shipment notifications (ASNs), invoicing and order changes, require a focus of technology such as VendorNet

(www.vendornet.com), a web-based supply chain collaboration that removes the chaos of contact and paper management and replaces it with a web-based, automated, full supply chain coordination 'suite' of systems management. This is CEO-level stuff. And it saves tons of money.

Product-level concerns. The foregoing product responsibilities are quite 'Big Picture.' There exist a host of 'Little Picture' concerns for the CEO to manage regarding the individual products. Most of these are where the rubber meets the road: the customer level. As a result, they are equally important and may be even more of the 'soul' of the company.

Someone has to be looking at the overall packaging protocols and efficiencies for each product and for every product. This also entails shipping costs, packing materials, custom or stock boxes, and efficiencies of shippers. Someone also has to look at overall product ease of use, instructions, warranties, guarantees, breakage, returns, percentage shipped complete, backorders, restocking costs, refurbishing costs, clearance outlets, and on and on. By product. By line. By channel.

Markets, Media and Circulation

Lists. Regardless of the size of the multi-channel direct marketing company, the CEO has responsibility for overall list selection strategies. If we accept that lists—of whatever type—response, email, subscriber, co-op, compiled are the heart of direct marketing, then it stands to reason the CEO must be fully informed and fully engaged in the list protocols of the company. Beyond selection, there must be an understanding of the channel contact strategies employed, including frequency, media and mix. Too few CEOs have an intimacy with the lists that are being used in the circulation planning and testing. If we continue to believe that lists are 60 percent of the success of a direct marketing business, then CEOs need to be proportionately engaged in list strategy.

Markets and sub-markets. Under the 'adjacent tree ring' theory of market expansion, any direct marketer that is not expanding their market penetration is contracting. Therefore, market penetration becomes one of the most important leadership areas for CEOs. Where the company is going is determined by who is on the rudder. It can go straight, left or right. Captains give those orders. Because of every element you have read so far and following, the CEO (provided competency exists) is best positioned to determine where the business should go. It is the board of directors who determines whether competency exists and how much latitude or control the CEO should be given.

Circulation planning. Financial performance is directly influenced by circulation, regardless of the channel. Therefore, if financial performance is the primary responsibility of the CEO, then circulation planning and financial modeling requires CEO oversight and approval. This may well be the domain of the CFO, but the CFO models and the CEO approves.

Consider what this means. To be effective, both the CFO and the CEO must have an intimate knowledge of the norms of mailing lists, email lists, newspapers and supplements, inserts, broadcast, organic search, paid search, pay per click, whatever media in whatever channel the contact strategy calls for. This is a formulaic business and

the formulas must be enforced and held to a financial standard. That is a CEOs responsibility.

Mix. The contemporary multi-channel direct marketing company, as opposed to the same company two, three or five years ago, is not about circulation; rather, today's strategy is about *mix*. The formula is media mix per channel and optimal channel mix to produce the most effective and profitable advertising plan.

Testing

Channel testing. It is widely recognized that insufficient testing is taking place in either business-to-business or consumer direct marketing. The mantra is always the same: It essential to test, but testing is too expensive. Testing is still the most cost-effective thing any direct marketer can do.

By using the online channel appropriately; that is, some portion of its utility should be reserved for testing, perhaps as much as twenty-five percent of the capacity, knowledge can be gained rapidly and inexpensively. Given sufficient scale, online tests can return results in days or even hours, clearly far faster than mail testing which can take months to produce valid results.

I would suggest that parts of classic testing have not changed; only the media and the elapsed time to reach conclusions have changed. For example, compiled lists versus response lists are tests that continue to be done with catalogs. Regional mailing tests are catalog mail tests. ZIP code tests are catalog tests. But seasonal tests, price tests, offer tests, product tests, fee tests, shipping tests, incentive tests, coupon tests, premium tests and hundreds of other product-related tests can be accomplished almost at will online. One of the online channel's greatest attributes is inexpensive, immediate testing results. What used to take a year to test and beat a control package can now be done in a month.

There is so much to be learned by online testing (and conventional testing) that any CEO who fails to embrace this responsibility is leaving massive amounts of product, price and customer intelligence on the table. Suddenly, because of channel shifts, testing has become inexpensive and immediate. This is direct marketing Nirvana!

Creative

Creative strategy. Two things impact the strategy and they are both dependent on the CEO for leadership: 1) Position; 2) Concept. Position refers to the market position the company seeks to fill. This can be relative to price, or quality, or speed, or access, or any of a number of factors. Generally, it is first about price; that is, the high-price leader; mid-price me-too; low-price leader. After price, then quality, service and speed may be further defining elements of the overall position. For example, "Our company is the high-price leader in our niche and we provide top quality, exclusive one-of-a-kind products, through multiple channels employing high-knowledge specialist employees who seek to create a one-on-one customer relationship. We ship same-day wherever possible and are available to our customers 24 hours a day, every day." This might be the position of a high-end fly fishing catalog.

From that point—position—the creative strategy can then be shifted to concept. What creative concept best communicates the position? Perhaps action photography blended with close-up product shots, featuring outdoor fishing settings, middle-aged models with a rugged, outdoor patina, lots of explanatory copy, overnight delivery symbols, low product density, high editorial density, and so on. Once the CEO has 'sculpted' the creative concept as well as the desired position, the creative production can be turned over to the creative pros. What the CEO has accomplished is to instill life into an idea and to establish the body ready to be clothed in the creative elements. Creative has been given *direction* and *leadership*. Rudder stuff.

Offers. The CEO has the responsibility to assure offers are profitable and in keeping with the position, the market target, and the creative concepts. Additionally, the full, multi-channel creative and merchandising strategy will, by definition, consist of multiple offers and multiple offer tests, all of which the CEO must be intimately involved with. The mix of offers must coexist with the mix of media and the mix of channels to meet the projections that describe the financial performance and the earnings. In this regard, all of the creative and all of the responsibilities above, and following, are in linear order and are inter-dependent.

Copy. Since the offer must be described by copy, the CEO has the responsibility for copy in all of its elements—tenor, tone, color, technical content, age sophistication, etc. If the copy isn't right, the offer isn't right. The CEO doesn't have to write the copy, but the CEO should be able to write it, or at a minimum understand what is good and bad copy.

Layouts. Ditto for layouts. In all channels.

Advertising plans. Where outside advertising (broadcast, infomercials, inserts, magazines, etc.) are part of the mix, the CEO has the responsibility of factoring the advertising schedule across all channels in order to project staffing, fulfillment peaks, inventory flow, cash flow, and all of the linear responsibilities discussed so far.

Customer Service

Order management. The customer ordering experience, regardless of the channel is the overall responsibility of the CEO. That responsibility encompasses access technology, systems, operating software, people, call center management, benchmarking, and all other elements of an effective order management capability. The knowledge of call center, inbound and outbound telemarketing, cross-sell and up-sell, call abandonment, and the endless aspects of customer service benchmarking are essential for the contemporary CEO. However, perhaps even more important is the understanding of the impact of online ordering and the usability elements of the online ordering experience.

Returns management. The CEO has to provide leadership for managing the returns process beginning with understanding the reasons for returns and ending with the financial metrics and the effects on earnings. Additionally, returns processing, restocking, refurbishing, and disposal of clearance and discontinued products are also covered in this area of responsibility. A reduction of returns of twenty percent has a significant impact

on earnings and merits constant attention.

Customer reactivation. Where customers are lost, the CEO has a responsibility for reactivation. Where customers are aging in recency, a CEO has a responsibility for reactivation. Where customers are lost to poor satisfaction, competitive services, competitive prices, competitive channel migration, or any other customer attrition causation, the CEO has a responsibility for authoring and managing the reactivation strategy.

Complaints and praises. Whether the customers wish to praise the CEO or condemn the company, successful CEOs take the phone calls and make sure awards or resolutions are accomplished. In every instance that I have observed where CEOs were aloof from the customers, the companies operated a well below average. In fact, the best evaluation of a company's success can be made in the first two minutes of entering their headquarters. I immediately ask to use the men's room. If it is spotless, the company is spotless and the CEO talks to the customers. If the bathroom is dirty, the company is dirty and the CEO never talks to customers. I have tested this theory time and time again and it is almost *never* wrong.

Fulfillment

Inventory and warehouse management. In addition to the inventory and logistics chain management elements discussed earlier, the CEO also has to run a world-class distribution center. With the sophistications of systems, bar-code and radio-frequency technologies figure prominently in reduction of labor costs. At the largest multi-channel direct marketers, dark warehouses with totally automated pick systems are emerging. Today's CEO has to master the sophistications of *all* aspects of supply chain logistics and warehouse systems management for one very compelling reason: Wal-Mart. If the world ultimately comes down to price, costs have been driven out of the fulfillment system by the Wal-Mart and its ilk and that is the only possible direction the direct marketing CEO can go or you run the risk of being non-competitive at some point in the very near, multi-channel future. I would actually go one step further and suggest that direct marketing CEOs of the future will be heavily involved with logistics. I see a day coming when there will be *zero* owned inventory and the direct marketers of the future will be logistics masters straddling channels and drop-ship manufacturers globally.

Research

New research. If you, as CEO, are not ready for the 'next thing' then you will be left behind. What is the next thing? You will only discover a percentage chance of being ready by doing what I call new research; that is, exploration of markets, products, customer segments, and other elements that are very different from what you are doing now. New research is a bit like a hobby. You keep doing it and getting better and better and finding more and more value in the doing. What you have a responsibility to know is what is going to come along and whack your business upside the head—and you need to know that well in advance of the whacking.

Functional research. As CEO, you are also responsible for the functional research that keeps you on top of your game doing whatever it is that you do now. This area of

responsibility includes pre-testing of possible tests for products or markets (sort of like running a mini-experimental lab so you can unleash the two-headed lizards on the unsuspecting staff). Functional research also involves those unpopular responsibilities of actually *doing* customer research, and actually *talking* to real customers, and actually *evaluating* what they tell you. And then there are the qualitative research projects that test product quality and position; quantitative research projects that test for scalability and potential low-hanging fruit orchards out there somewhere.

The Master CEO, however, has an uncanny knack for doing a combination of new research and functional research that somehow takes the company into a new but logical direction and embraces whatever the next new thing seems to be. These people also excel at creative thought.

Strategic Planning

Developing awareness. After the research work, the CEO has the responsibility for doing something with all the insights. In fact, if you have all of the above elements firmly under control, you are ready for the strategic planning process that will carry your company through the next financial knothole of growth or into new worlds. The planning process essentially involves awareness of strengths and weaknesses, analysis of trends and market influences, and formulation of a plan to implement beneficial strategies. This may entail developing business and financial models, creating different planning models, reformatting talent pools, shifting emphases, infrastructure, and any number of major change elements.

Exit strategy. The CEO or owner has one primary responsibility, either to be communicated or held closely: Knowing the exit strategy. You can only take a company somewhere if you know what the exit strategy is. If you are going to sell the company, that is strategic plan A. If you are going to give the company to the idiot son, that is strategic plan B. If you are going to go public, that is strategic plan C. If you are going to merge with a Fortune 100 company, that is strategic plan D. They are all very different plans based on different exit strategies. The primary strategic responsibility of the CEO is to lead the company in the right direction based on the right exit strategy.

Conclusion

I know this has been a very long article this month, but it’s a very important topic. Remember, the responsibilities described are only the minimum responsibilities of a fully furnished multi-channel direct marketing CEO. Our industry has a number of CEOs who far exceed these bare minimum talents and skills. We also have a fair number that miss the mark. For those who come next, I would commend to you the necessity of a broad background. It is not enough to be just a CPA; it is not enough to be just a circulation maven; it is not enough to be just an online channel whiz. You have to be really good at all of it.

And then there is the other responsibility of a good CEO: You have to be a genuinely nice person who cares about people.

The Second Quarter 2005 Regional Economic Outlook

The first quarter 2005 performance was good. The fourth quarter 2004 economic performance was a revised upwards and the first quarter 2005 has continued to be quite positive given the sharp increase in oil prices. The majority of business-to-business direct marketers and most consumer direct marketers made their numbers and the year continues to look positive.

After seeing the strength in the first quarter, we believe that marketers should pursue prospecting and customer contacts more aggressively than we recommended in January. We remain positive for the second quarter 2005. All regions are benefiting from the strengthening of the economy and the outlook is measurably improved for the first half of 2005.

Signs of Improvement

Region One (CT, ME, MA, NH, RI, VT)
Region Two (NY, NJ, CT, PR, VI)
Region Three (PA, NJ, DE)
Region Four (OH, KY, PA, WV)
Region Five (KY, MD, TN, VA, NC, SC)
Region Six (GA, AL, FL, LA, MS, TN)
Region Seven (IL, IN, MI, WI, IA)
Region Eight (MO, IL, IN, KY, TN, LA, AR)
Region Nine (MN, WI, ND, SD, MT, MI)
Region Ten (KS, CO, MO, NE, NM, OK, WY)
Region Eleven (TX, LA, NM)
Region Twelve (CA, UT, AZ, NM, OR, WA)

Mixed to Slower

None

The Second Quarter 2005 Circulation Outlook and Recommendation

Synopsis

The short-term economic outlook for the catalog industry has improved and continues to be positive through the first half of 2005. The previous slight slowness seems to have disappeared and the economy is more robust since January. The intermediate-term outlook is positive for the balance of 2005, and the long-term outlook through 2007 remains positive. Our outlook for growth in the second quarter of 2005 is revised upward to 5 percent.

Nation at a Glance

The detailed economic conditions for each state have been integrated into the following recommendations. **Changes to circulation recommendations through the Second Quarter 2005 are highlighted in bold italics.** A number changes are recommended for the second quarter, all shifts from Normal to Increased mailing

State	**Mailings**
Alabama	Normal
Alaska	Normal
Arizona	***Increase***
Arkansas	***Increase***
California	Increase
Colorado	Increase
Connecticut	Increase
Connecticut-Fairfield	Increase
Delaware	Increase
District of Columbia	Increase
Florida	***Increase***
Georgia	***Increase***
Hawaii	Normal
Idaho	Normal
Illinois—North	***Increase***
Illinois—South	***Increase***
Indiana—North	***Increase***
Indiana—South	***Increase***
Iowa	Increase
Kansas	Increase
Kentucky—East	Normal
Kentucky—West	Normal
Louisiana—North	Normal
Louisiana—South	Normal
Maine	Normal
Maryland	Increase
Massachusetts	***Increase***
Michigan	Normal
Michigan—Up. Pen.	Normal
Minnesota	Increase
Mississippi—North	Normal
Mississippi—South	Normal
Missouri—North	Normal
Missouri—South	Normal
Montana	Normal
Nebraska	Normal
Nevada	Normal
New Hampshire	Normal
New Jersey—North	***Increase***
New Jersey-South	***Increase***
New Mexico—East	Normal
New Mexico—West	Normal
New York	Increase
North Carolina	***Increase***
North Dakota	Increase
Ohio	***Increase***
Oklahoma	Normal
Oregon	Increase
Pennsylvania—East	Increase
Pennsylvania—West	Increase
Puerto Rico	Normal
Rhode Island	Normal
South Carolina	***Increase***
South Dakota	Increase
Tennessee—East	Normal
Tennessee—West	Normal
Texas	***Increase***
Utah	Normal
State	**Mailings**
Vermont	Normal
Virgin Islands	Normal
Virginia	Increase
Washington	Increase
West Virginia—East	Normal
West Virginia—West	Normal
Wisconsin—North	Increase
Wisconsin—South	Increase
Wyoming	Increase

An Open Invitation

Many of our readers have asked us in to assist in reviewing their strategic directions, or to conduct a deeper forensic analysis of their catalog and organizational performance. Many of these are one-day consultations; the deeper investigations often require several days. In some instances, these are purely performance reviews and are focused on growth. In others, these are initial or continuing reviews to develop sound exit strategies and to outline the logical steps to be taken to maximize the value of the business at the harvest event. As a MeritDirect client, we extend to you a significantly reduced, or shared, consulting fee for these reviews and extend an open invitation to call and talk with me directly about your requirements. As always, I can be reached anytime, anywhere through my toll-free direct line (877) 903 9448.

We also currently represent a number of interesting catalog companies for sale. If you have interest, or if you are thinking about your own exit strategy and are considering a sale of your business, I would be pleased to visit with you anytime and invite your call. We represent both sellers and buyers in the mid-market with transactions generally ranging from five million to seventy-five million dollars.

The *Libey-Concordia Economic Outlook and Secrets of the Catalog Master* is published seven times annually and synthesizes economic information from around the country, filtered through analyses of the Federal Reserve, The Department of Commerce, and numerous public and private analytic sources, as well as a broad base of industry contacts developed as a part of the extensive contact base of the *Libey-Concordia* investment banking firm.

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