



Dave Ramsell, owner of The Tradeshow Stores, opened an ad specialty business after getting laid off less than two years ago from his full-time job as a graphic designer.

A New Beginning

In this third and final installment of our Second Act series, we detail the story of Dave Ramsell, who went from laid-off graphic designer to accidental business owner in the blink of an eye. See how he's adjusting to life as the head of an ad specialty distributorship.

*By Betsy Cummings
Photography by Dennis Trimmer Photography*

There are no pretenses in the room. No insincerity, no embellishments, no cloyingly slick sales claims. Just a series of earnest 30-second pitches from one business owner to another. And, here in the basement of Sacred Heart Catholic Church's Ambrose Hall, a sizable, décor-less room adorned floor to ceiling with cream-colored tiles and lined with rows of banquet tables, Dave Ramsell is working it.

As the relatively new owner of The Tradeshow Stores (asi/346125), a distributorship based in Dover, OH, he's not let-

ting any new business opportunities pass by in this less-than-robust economy.

Ramsell, 48, is one of 39 group mem-

bers, all of whom are local business owners, assembled on this August day to give leads, referrals, testimonials and – yes –



itches to their colleagues at their weekly Business Networking International (BNI) networking meeting, held each Thursday from 7:30 a.m. to 9 a.m. He's also the group's treasurer and one of its founding members – a necessary role as a new and relatively accidental business owner.

On January 6, 2010, Ramsell, who couldn't forget that date if he tried, was called into his boss's office and given this line: "Your work was great, but there's a downturn and we don't have the funds to keep you." To make matters worse, the one doing the firing was Ramsell's good friend. "I haven't talked to him since," says Ramsell, who, with short, spikey hair, wire-rimmed glasses and a scruff of beard, looks very much the role of small-business owner in his white button-down shirt adorned with his company's logo.

Shell-shocked that day to be one of the seven who was laid off, he remembers walking to his car wondering, what's next? "I was going to retire from that place," he remembers, thinking of his previous firm. He didn't do much better the day after. "I spent two days just looking at the TV, not really watching it," he says.

And yet, with the benefit of nearly two years of hindsight and some time spent as a business owner in the ad specialty market, Ramsell has shaken the doldrums and come to an eye-opening conclusion about the layoff that he never thought would happen. "It was the best thing that ever happened to me," he now says.

Forget that his commute stole 10 hours a week of his time and required a monthly gas budget of \$400. Ramsell says the best part of switching careers and becoming an entrepreneur is that it's allowed him a three-block commute and the opportunity to eat lunch with his wife any day of the week.

The Necessary Jumpstart

Noticing his malaise after initially getting fired from his previous job, Ramsell says



"It was the best thing that ever happened to me," Ramsell now says about getting laid off, giving him the necessary impetus to begin his own company.

his wife, Michelle, stepped in. "Get off your butt and do it," Ramsell remembers his wife directing him about his ambivalence in starting his own company.

So he did. At first, Ramsell worked through Grantstreet Creative, a part-time marketing consultancy and graphic design business that Ramsell ran on the side for 20 years and decided to make full-time. But soon, Ramsell realized there was a piece missing in his service offerings to clients: promotional products. "If I was doing clients' websites and business cards and logos, there needed to be promotional products to drive that brand," he says of his moment of business epiphany that happened not long after his wife's gentle nudge.

That's when he started Tradeshow Stores. But to boost that business, he would need to develop more leads. That's when he learned of BNI and worked to form a new chapter. Now he's greeting today's meeting attendees, 32 of whom have shown up for this morning's meeting on a sweltering summer day.

Fellow entrepreneur Paula Sulzener, co-owner of Kaufman Realty and Auctions,

pops up to deliver her pitch. "We sell housing behind your back," she says. "Wait, that doesn't work," she realizes after the room erupts in laughter. "I'll think of something new," she adds, amending her pitch to "selling the county one yard at a time" by the end of her 30-second speech.

The beauty of these meetings, Ramsell says, besides being a rich resource for sales leads, is that they allow members to practice speaking, sharpen sales presentations and determine which services of their company to present first. Similar sound bites move around the room until all have made their cases, so to speak, for business offerings. At \$465 to join, Ramsell says he's made that money back many times over.

A Sudden Business Owner

In this section of Ohio speckled with smaller towns (Dover's population is just over 12,000), Ramsell needed a startup strategy that would quickly draw in leads while helping him build on additional business at the same time. Networking, he says, was the key to making that happen.

Like many entrepreneurs new to the ad



specialty industry, learning the products, the industry's demands and how to help clients select the best branding tools can be daunting at best. "One of the biggest challenges I faced in starting a distributorship was the mere size and complexity of what is offered in this industry and learning it," Ramsell says. Add cold calls and prospecting to the list of stressors, and many distributors might throw in the towel before getting started.

Ramsell felt the pressure. Still, unlike some distributors, Ramsell had much to leverage coming into the field. For 25 years he'd been a graphic designer, so he knew the demands and language of art production – a key skill for a distributor who needs to turn client artwork and logos into printable files. But as a designer tucked back into a company's art department, he often avoided (and was therefore clueless about) business management, profit margins, accounting, operations and other fundamental elements of running a company.

To master those hurdles he put in his time. "In the beginning, the workload, you're talking 18-hour days," says Ramsell, who works many nights in front of the TV while his wife, the director of the local library system, works beside him.

To fund his business – and his living expenses – Ramsell began blowing through his 401(k) savings. He has enough clients now to be profitable, but still uses his retirement fund as a sort of business loan for his company.

Besides financial backing, Ramsell also knew he'd need some professional advice to help him run his new business. So, he set up an advisory board comprised of a social media executive and a food industry manager, among others, which he assembled for the first time last August.

And just last month he received a boost from his accountant, who has been meticulously tracking Ramsell's company's rev-

Managing Financial Resources

Many new entrepreneurs find out one lesson the hard way: It's difficult to succeed on limited financial resources. It's quite a common problem for those in the ad specialty industry who have to pay for goods prior to their clients actually paying for them. Landing a new contract should be a day of celebration, but it often leads to concerns for distributors about how they're going to front the money before they get paid. Which could be 30, 60 or even 90 days away, depending on how reliable the client is.

"New businesses have to know that they can cover their expected costs from month to month," says Henry Gregg, the founder and president of Freeport Consultants, a management consulting firm based in Freeport, ME. "You know what your fixed costs are, but you also need to plan for the costs associated with completing deals. If you have to front cash before clients pay up, then you need to have a cash reserve that you can tap into."

For those who don't have ready-access to capital, Gregg suggests applying for a loan from the Small Business Administration (SBA). There are many avenues to apply under, and while loans can be difficult to attain right now, the SBA and its bank partners have special reserves for new businesses with bright business plans. "You have to jump through extra hoops right now to prove your creditworthiness, but there are funds available through SBA loans," Gregg says.

His biggest piece of advice, though, when applying for a loan is to create a solid business plan that details revenue and profit goals, and includes breakdowns of how many deals per month, quarter and year you need to sign to achieve those goals. "Lenders want to see that you have a clear plan for how you're going to grow," Gregg says. "Get your business plan in order before beginning the loan application process. Too many people go about it backwards."

Outside of getting a loan, Gregg says there are some daily strategies new businesses can employ to ensure that their cash flow is solid. The first is to make clients pay more of their bills upfront. He suggests shooting for getting 50% of your invoices once an order is placed. "This not only gives you extra cash to cover the cost of the goods, but it also shows a larger commitment on the part of the customer," Gregg says.

Also, Gregg advises his small-business clients to closely watch their expenses and make sure they're not taking on anything unnecessary. In the first year of business, he says, many entrepreneurs rent an office or fly to see potential clients or simply spend too much money on letterhead. "You need to have cash in reserve, and unless you have a loan or savings to fall back on, you should be monitoring your payables very tightly," he says. "My advice to new businesses is to always watch every penny that goes out until you have a consistent revenue stream."

enues, expenses and, yes, profits. "He said, 'I'm happy for you. Normally it takes three or four years to make a profit,'" Ramsell remembers his accountant saying. "You're not Rockefeller by any means," the accountant continued, but Ramsell, with profit

margins well above 30%, was operating in the black after less than a year.

Quick Ramp-Up Following Slow Start

The picture, though, wasn't always so rosy. In the beginning, "I had a couple of



euphoric days where I bought a computer and software and thought, ‘Dave’s going to do this,’” Ramsell says. Then reality set in. “I was sitting in my studio thinking, ‘what the hell’s next?’”

Making cold calls seemed like a good idea. So Ramsell made them – hundreds of them. “It was incredible” the number of rejections he received despite his Herculean efforts. Years of rejections for his graphic design ideas, which felt personal as well, had helped him develop intense persistence, but even Ramsell wasn’t prepared for the dejection he felt after so many rebuffs from prospects.

Feeling the need for a new direction, he targeted printers, tapping into contacts and an area he was familiar with given his graphic design background. With prospects he played up his design skills, particularly to those who lacked an in-house art director.

His first ad specialty sale was to ACI Services Inc., a compressor parts manufacturer in Cambridge, OH, for \$1,500 worth of personalized clipboards. Since then, sales of promotional items have gradually risen each month.

Ramsell has also made the decision to

grow his company by bringing on three independent reps to sell for his business. With a commission-only pay structure, Ramsell worried they wouldn’t be motivated, so he consulted with a 30-year sales veteran who gave him some sage advice: “Guarantee them a territory, give them an incredible structure and give them residuals on every sale,” Ramsell recalls.

Following that advice (reorders, for example, yield an additional commission for his reps) has done much to motivate the reps he uses, Ramsell says. And while Ramsell can only have so much managerial sway over sellers who don’t work for him directly, he can still monitor their progress through ZoHo, his \$36-a-month CRM program that tracks “the number of phone calls a sales rep makes in a day, who they talked to, what’s in the pipeline and what revenue might be forthcoming,” Ramsell says.

Today, the independent reps bring in at least half of his business, and he’s even looking to add on more as he plans for 2012. Ramsell himself accounts for the other half of the company’s revenues, and he says eventually he’d like to sell promotional products in “every state in the union.”



Ramsell on his approach to his previous employer: “I thought I was going to retire from that place.”

For now it’s generally northeastern Ohio, although he does manage a sale here or there outside of that territory. And

Payment Plan

One of the biggest issues that new business owners encounter is collecting on invoices they send to clients. Here, Darren Davis, president of business management consulting firm Jump Advisors, based in Jacksonville, FL, offers four tips for getting clients to pay their bills on time:

1. Bill clients quickly. Invoices should be sent out as soon as items are delivered – if not sooner, Davis says. “I see so many companies delay their invoicing because of silly rules, like they only send invoices out on Fridays,” he says. “Don’t create any procedures that prevent you from sending bills as soon as possible. You can’t afford

for billing to be delayed these days.”

2. Follow Up. Davis recommends having salespeople follow up with their main client contacts about two weeks after an invoice is sent. “First of all, you want to make sure that the right person received the bill,” he says. “Then, you need to give a little nudge to your client. The payment may not be due just yet, but it can’t hurt to give a little reminder about when it’s due and who they should call if they have any questions.”

3. Send an e-mail on the 31st day. Most invoices are due in 30 days. No matter when one is due, distributors

should have some contact with their client on the day after payment is actually due. “They may say the check is in the mail, but it can’t hurt to shoot them a quick e-mail on day 31 to push them,” Davis says.

4. Say thank you. In a time of economic uncertainty, it’s more important than ever to thank clients for their business. Once an invoice is actually paid, pick up the phone and thank your customer. “It’s a step many salespeople and companies forget about,” Davis says. “Customers want to know that you value their business, and there’s no better time to show that than when they actually pay you.”



Ramsell, who knew little of management details before becoming a business owner, makes every Tradeshow Stores seller sign a non-compete agreement.

Biz Owner As Customer & Seller

On a typical day he works upwards of 14 hours (running a business is not a part-time job, he's learned) and brings jobs home from the office on a regular basis. At \$100 a month he can't beat the price of his work space, even if it is a little tight. With a tiny office no bigger than 200 square feet, he has just enough space for a 27-inch Mac, a few smallish trade-show displays and a chair or two, and spends much of his time on the road, visiting clients, prospects and vendors.

Today, however, is an exception. A little after 1:30, three reps from a plastics extruding company squeeze into his office, including Ed Alemagno, a sales rep who speaks in a booming voice, and, at well over six feet, is looming above a seated Ramsell as he gives his pitch.

"Our standard turnaround time is four to five weeks. As I said, if you need any design help we could be of assistance there," says Alemagno, who, in a blue button-down, dress slacks and a blue paisley tie, is overdressed for the weather and occasionally wipes the perspiration from his balding head. He and his colleagues are standing in and spilling out the door of Ramsell's office trying to convince Ramsell to start producing his best-selling trade-show display from plastic instead of aluminum.

"A piece like this, I can't promise that we could mimic this aluminum finish exactly, but I've extruded colors where I can mimic aluminum," says Tod Oliva, the company's trim, salt-and-pepper-haired president who has accompanied Alemagno on today's sales call.

Ramsell is intrigued but not convinced. At \$59 a pop, his aluminum sign is extremely popular with clients and one of



his biggest sellers. Changing the production value and materials of such a popular item doesn't seem necessary, he says, after they leave. But he thinks he could definitely use their services for other items Tradeshow Stores could sell.

For Ramsell, though, this sales call is only one piece of a typical business owner's day. Indeed, the nice thing about an office so small is that you're inspired to leave it frequently. And, by late afternoon Ramsell is on the road again, this time headed to a meeting at country station WTUZ Radio Inc., with Al Little, the station's marketing consultant.

If Ramsell is tired from a day of meetings, he's not showing it. He seems particularly eager to talk radio promotion. In his last effort with WTUZ he spent \$1,500 on ads (in the form of a service trade with the station) and landed four clients in return – not a massive windfall, but enough to more than cover his investment.

Today he's talking about broadcasting

the value of promotional products in a series of 30- and 60-second spots. "I think a promo product is viewed eleven times more than print," Ramsell tells Little, recalling a study he'd seen about the value of advertising with premiums compared to publications.

Looking ahead, Ramsell says he'd like to hire a virtual assistant to manage lead generation and client quotes so that he can follow up with more promising prospects. He'd also like to hire as many as four more sellers, but wants to ensure they're as high-quality as the ones he has now.

For now he's content plowing ahead in an industry with a learning curve that he's still trying to master. To speed up that process, Ramsell says, "I still read everything I can find, and I ask everyone questions. In fact, I am sure there are a few customer service reps out there that run when they see my name come up on the caller ID." ○

Betsy Cummings is a senior writer for Counselor