

SO YOU WANT TO BUY A MAGAZINE BRAND

Hotsheets

BY LESLEE MASON, Communications Specialist & Content Creator

Is buying an existing magazine brand a good idea? That answer was an easy “yes” for Bert Kleiser, who had the opportunity to purchase a B2B title from his former employer (a now defunct media company originally based just outside Toronto) five years ago. Kleiser had been the publisher of the magazine for several years, had strong relationships with clients and stakeholders in the industry it covered, and was confident there was plenty of market growth opportunity. That knowledge, combined with a bit more research and financing, was all he needed to make the leap to magazine ownership. Today, he runs Kleiser Media Inc. and is the publisher of *Woodworking*, a magazine geared to the secondary woodworking industry.

There are plenty of benefits to buying an established magazine brand rather than starting one up, including an existing base of advertisers and readers. But even with a solid foundation, publishing is a tough industry and it’s important to do your research before diving into ownership. Here are just some of the things to consider:

IS IT A GOOD FIT?

While you don’t need to be an expert scuba diver to run a magazine geared to that crowd, if you’re afraid of the water you know you have a bad fit. Few small magazine owners—especially early on—have the luxury of the hands-off approach. In other words, a little interest goes a long way. It’s not uncommon for an owner to do double duty as a salesperson or, sometimes, even the editor. The more engaged you are in a title’s content, the easier it is to immerse yourself in that world.

On that note, it’s important to weigh your skills against what you’ll need as a magazine owner. For example, how good are you at sales? The ability to ‘sell’ the magazine to advertisers can make or break your success. How strong are your negotiation skills? Are you comfortable networking and representing a brand at events?

Engagement with the industry your magazine covers is a must. For Kleiser, that means regularly attending events to network, joining associations and volunteering on industry-related boards. It’s about getting in front of clients and fostering relationships with them and industry stakeholders, he says.

HAVE YOU FACTORED IN ALL THE COSTS?

The purchase price of a publication is just one part of the cost of ownership. Running a magazine can be a costly venture; there may be equipment to buy or office space to rent. Editorial and design, printing, mailing, and circulation and auditing are some of the other big costs to consider. “I initially underestimated cash-flow requirements and timing of receivables,” says Kleiser. To reduce the likelihood of surprises, he suggests setting up a budget that includes cash flow projection during your start-up period.

Keep in mind, there are some variables that you just can’t control such as the economy. When downturns occur, marketing budgets are often the first thing advertisers re-examine. “You always need to anticipate market trends and direction,” says Kleiser.

CAN YOU FIND GREAT SUPPLIERS AND SERVICE PROVIDERS?

Who will print your magazine? Where will the content come from? Who will handle distribution? These are some of the questions you’ll need to figure out. In Kleiser’s case, the original publishing company managed a lot of things in house, including editorial and production, requiring him to look elsewhere for talent and service providers. “Having been publisher for five years prior to the acquisition, I knew the title, risks and revenue potential, so the research was focused on finding great suppliers for services that needed to be outsourced such as production, circulation, print and distribution, internet and web services,” he explains. All those moving parts can add up fast, so the more you know up front, the better. “There is very little room for error,” he says.



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HOW WILL THE MAGAZINE TRANSITION?

When a magazine changes hands it can sometimes sound alarm bells for both advertisers and readers who fear the change is for the worse. Alleviate concerns by following a transition plan, even if just an informal one, that allows you to smoothly segue into the change. For example, negotiate that key staff stay on (even if temporarily), use the same writers or maintain the look and feel of the title if there's no immediate need for change. "We didn't change rates, the point of contact was still the same, as was the appearance of the magazine, so it was truly 'business as usual' and that's what we assured clients," says Kleiser. His eventual changes included a magazine redesign in 2015—something he made sure to talk to his clients about. His advice? "Get your clients' input and feedback to buy in to whatever changes you are making." It's important, he says, to promise only what you can deliver, and then over deliver. "Letdowns create scepticism and make the next sale twice as hard."

Even with a relatively seamless transition, expect a few bumps in the road. The key, says Kleiser, is to sweat the details. "Learn to juggle and always keep your eye on the ball."



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