



The Role of the List Manager by David Bancroft Avrick

While the role of the list broker is generally understood, the role of the list manager is not that clear. I have found that different people have different perspectives as to what the list manager's job should be. I've been a mailer, a list owner, a list broker and a list manager, often at the same time, for 42 years. Now my role is that of list owner, with over 60 different mailing lists, and my perspective and expectations have changed.

I believe the list manager's primary job can be summed up quite simply: To maximize list rental income. Every list owner who decides to make his list available for rental does so for one reason: revenue. Fund-raisers often demand reciprocity, so a decision is made for other than revenue reasons (although indirectly it still comes down to the bottom line, you need access to other mailing lists in order to generate revenue).

Once he decides to market his list, the list owner must then decide whether to hire a list manager, or manage the list internally. It is more convenient to use an outside list manager. However, I believe if you have a large list, with significant list rental income (for example \$1,000,000 a year) you would be better served if you manage your mailing list internally.

The next decision is who should manage the list. Some list owners forget the reasons why they are marketing their list (revenue), and are influenced by an array

of other factors. Some list owners seem to have a misplaced pride of ownership and would rather receive \$250,000 as a result of renting 5 million names than \$350,000 as a result of renting 10 million names.

The question is simple (which is not to suggest the answer is simple): Which list manager will generate the greatest amount of list rental revenue?

Some list owners want to have their list managed by a large and prestigious list manager. I'm reminded of the "blue shop" theory 30 years ago; people charged with the responsibility for their company's data processing went with IBM because they could never be criticized for making a poor decision. If you're looking to avoid criticism, the decision is much easier - by demanding a large and/or prestigious manager you've reduced your choices by well over 90%. It's possible that one of these managers is the perfect choice, but prestige and size alone should not be the basis of your decision.

Some list managers have developed specialties. This gives them an opportunity to cross sell. When a list broker calls to inquire about list A, the manager can also talk about lists B and C. I have found this highly effective. If you look at the list of 'areas of specialization' posted in SRDS you'll find them almost meaningless. But if you look at the list-of-managed-lists you immediately see if a manager has a specialty that you may be interested in.

There are list managers who specialize in religious fundraising, high-tech, business opportunity, low-end sweepstakes, catalogs, etc. If your list falls into one of these categories you'll probably be better off with one of these list managers.

If you know the owner of a list currently being managed by a prospective manager, give him a call. Your decision should be bottom-line-dollars focused, don't ask vague questions about "are you pleased" with the performance. The manager might have the nicest staff, be incredibly courteous and have the niftiest reports - but that has little to do with revenue. Your inquiry should be focused on whether list rental revenue (and the number of tests) is up-or-down, nothing else matters.

One thing I have not touched on is the "percentage" the list manager receives for their services. I do not think the selection of a list manager should be made on this basis. I'm not naive enough to suggest it doesn't matter, but I do feel it is far from the most critical factor in determining what company should manage your list.

Some list owners want to see their list advertised. Trade advertising on my lists certainly inflates my ego. But my lists are not on the market for ego gratification. Most trade ads are image enhancements for the list manager and generate very few actual list sales for the list owner.

In terms of actual 'promotions' my experience is that emails and faxes work best. My experience is that neither trade advertising, nor exhibiting at shows, are cost effective. The list manager is usually affiliated with a list broker. Their presence at trade shows enhances their reputation and provides them with a venue to show off to their list brokerage clients and list owner clients. It usually doesn't generate list rental sales. The same marketing

dollars invested in telemarketing would significantly increase list rental revenue.

My experience is that the most effective way to obtain list rental sales is for your list manager to be on the phone with list brokers. Your manager should review what mailers each broker works with - and match the lists he manages with the mailers that the broker works with. Similarly, he should match the lists he manages with prospective mailers - and then contact the broker who works with the mailer.

Total sales are not the job of the list manager. The sales generated from your list are a direct result of the success that mailers have with your list. It's unreasonable to expect sales on a list that does not perform. Your list manager should focus on two areas.

Generating tests is the list manager's primary responsibility. A list owner should be less concerned about total sales than the number of tests. If there are lots of tests, and the list is a good list, sales will follow. If there are insufficient new tests, the sales will dry up. A good list manager should boast more about 3 new tests than 3 continuations. Continuations are a result of the performance of the list. Tests are a direct result of the list manager's efforts.

Another responsibility of the list manager's is to follow up on tests and to make specific recommendations if the list test was marginal. Many mailers and brokers test the largest possible universe, but if that test is marginally unsuccessful they do not go back and look at what selections might make a segment of the list profitable. Whether a mailer should test the largest possible universe or the most-likely-to-succeed segment is not the subject of this article. But since many mailers elect to test a large universe, it's critical for the list manager to follow up on

all tests and to recommend specific selections if the test proved marginal. Many list managers do not take the time to truly understand the mailing list. The manager must study the list and recommend to the list owner what selections (e.g. product or category, multi-buyer, ethnic) should be made available.

In today's environment it's also critical to know how to properly negotiate, to get the order without being taken advantage of. The good list manager will know what each major mailer is requesting in the marketplace and know when a broker is making a reasonable, or unreasonable, request. The list manager should understand their role (to maximize revenue) and be given authority to negotiate price, net names, waiving selection charges, etc. There can be a conflict of interest when the list manager is also the list broker for the mailer. It's too easy to impress the mailer by using the flexibility they've been granted by the list owner. This is an ethical issue that I feel managers must deal with.

List managers also have other responsibilities. Among them are: good follow-up (without which orders will be lost); creation of easy to understand reports that clearly show the critical information; understanding and implementation of decoy systems; and an ethical and fiduciary responsibility to pay the list owner promptly.

Many list managers focus more on collections than sales. I do not want to suggest that getting paid is not critical. But I'd rather have my manager expend his energy selling rather than collecting. Establishing a simple collection rule (e.g. no new order can be accepted if the previous order hasn't been paid - or the one prior to the previous order), can efficiently deal with 90% of collection problems.

I happen to have a personal gripe which is that managers do not "immediately clear up" unauthorized deductions. I often see an accounts receivable report with dozens of outstanding items, the result of unauthorized deductions by the mailer. These discrepancies hang around on your receivables statement for 6 months and finally someone simply writes them off. My experience is that unless these unauthorized deductions are dealt with immediately they're hardly ever paid. If the amount is miniscule the payment should simply be accepted as payment in full - if it's meaningful, the list manager's accounting department should call the broker immediately to clear up the unauthorized deduction.

The bottom line is that the list owner should focus on revenue. That's why your list is on the market. Get your ego out of the way and let the manager expend their resources in the ways they determine to best generate maximum revenue. There are certain expectations that the list owner should have, but these should be guided by the reality - it's the bottom line that counts.