



**SHOTGUN**  
CAPITAL ADVISORS, LLC

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## Document Destruction Industry Report

September, 2007

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**Hello,**

In this issue, we discuss the importance of proper pricing and begin our series on marketing by starting with Yellow Page advertising.

These topics come from my nearly 10 years of involvement in your industry, including the start-up of Brink's Document Destruction, a multi-location division of the world renowned security services company.

We welcome your questions anytime. Of course, we'd love an opportunity to discuss our merger and acquisition advisory services, marketing support services, and business support.

Sincerely,

Jim McGuire

P.S. Please read our important announcement below about our upcoming industry survey!

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## Pricing? Yes Pricing.



Whether you own a shredding business or a worm farm, if you are not turning healthy double-digit margins, get out. Put your money in the bank and stay in bed all day. Owning a business has many risks, and your investment returns should adequately reward you for your time and courage.

Sound, smart pricing for your services has one of the greatest impacts on your profitability. Are you a price follower? Following others down the dangerous path of land-grab pricing methods is the fastest way to erode profits and damage the value of your business. Giving away capacity at deep discounts for the sake of filling a route or truck is equally foolish.

We have all been there - responding to RFP's for large, complex, and extremely demanding customers. Tempted to shave ourselves to the bone, even lying to ourselves about our own capabilities, to be in contention. Betting on the paper revenue? Forget it. Whats here today, may be gone tomorrow, and may rebound five years from now. Be realistic about your capabilities - sometimes passing on an opportunity is better than winning.

In my travels, where I have evaluated dozens of businesses for potential acquisition, I have always been amazed at the caliber of customers with premium prices that small shredding companies have consistently maintained. A good number of these customers cited "when dealing with a local business, you're always talking to an owner, who can answer your questions and solve your problems on the spot." Well said.

With todays headlines splattered with big-box retailers selling lead contaminated childrens toys made in China, perhaps quality and accountability will become fashionable again.

Comments? Email me at [jim.mcguire@shotguncapital.com](mailto:jim.mcguire@shotguncapital.com)

## Yellow Page Advertising Tips

How many 95-Gallon totes did you have to shred to pay for your Yellow Page advertising campaign this year? Probably a lot. Here are some valuable tips to maximize your Yellow Page advertising results while minimizing cost.



1. Don't place a big ad just because someone else did. The results will not justify the expense.
2. Advertising under "Paper-Shredded" is throwing money out the window.
3. Get a separate 1-800 number for your ads. They are inexpensive, and will allow you to track your ad performance from your phone bill.
4. Train your staff to ALWAYS ask callers how they heard about you. Track this information closely.
5. Every year, review the revenue generated by your ads along with the total ad costs. If you are not happy with the performance, don't be afraid to pull the plug. Chances are, there are better places to direct your marketing dollars.

## Industry Survey Coming Soon!!!

Shredding business owners will receive an invitation to participate in our 2007 shredding industry survey. All participants that complete the survey will receive a complimentary copy of our consolidated statistics, along with our annual shredding industry report.



This survey may be available for purchase on our website at [www.shotguncapital.com](http://www.shotguncapital.com) at a date to be announced.

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