

**Audio Transcript**  
Episode 197 of "[E&P Reports](#)" Vodcast Series  
with *Mike Blinder*



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[Insights into maximizing digital ad revenue — one-on-one with Brock Berry.](#)

In this Episode of "E&P Reports," we explore the challenges in selling digital solutions to small businesses in a competitive marketplace with senior executive, entrepreneur and media advertising expert Brock Berry, CEO and founder of AdCellerant. Utilizing Berry's real-world experience leading a major technology company providing digital solutions to hundreds of local media companies for thousands of businesses, we gain his insights on the most effective ways we can serve, sell and maintain local advertising revenue through the sale of all forms of multimedia solutions. Berry also offers his advice to local advertising executives on how to build a winning local sales environment.



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0:00:03.6 Announcer: This is E&P Reports, a podcast from Editor & Publisher Magazine, The Authoritative Voice of News Media Since 1884, serving Newspapers, Broadcast, Digital and all forms of news publishing.

0:00:19.5 Mike Blinder: And greetings. Once again, Mike Blinder, publisher, E&P Magazine. As always, we kick off with housekeeping. If you're listening to this program on a podcast platform of choice, please follow us. We love being followed, watching on YouTube. Go below me, hit that subscribe button, smash the bell to the right, or click it or whatever. You'll get an update each and every time we upload a new episode of E&P Reports. I don't know if I can call Brock a friend. Are you a friend, Brock? I mean, we call ourselves friends, are we acquaintances, compadres?

0:00:52.4 Brock Berry: Friendship starts with time. And we've known each other for probably all, you know, 15 plus years. So I'd say we could at least get that going for us. We've qualified.

0:01:01.2 MB: I think we met back in your Schurz days, which was what, like...

0:01:04.4 BB: Oh, that would've been 20 years ago.

0:01:06.4 MB: Yeah. I mean, 'cause I remember, but then well, at Brock Berry, for those of you that live under a rock, just kidding. Brock Berry is the founder and CEO of a digital agency. We call them, if you're part of this industry, white label service provider for digital services, that is really well known now AdCellerant. But Brock, your background is amazing 'cause you went from AE at Schurz 2001, 2003. See, I stalked you, immediately over to the Denver Post as sales manager, correct? In 2003 and you kind of stayed through the post, through all the buying and selling, changing what have you. Digital First Media, VP of sales, and then of course you launched back in the good old days. Remember that when digital services was everything, you launched Adtaxi a senior vice president, correct?

0:01:54.9 BB: That's correct. Yeah. That's a good good history lesson on my background for sure. Some of my favorite jobs of all time. Were working in those different companies.

0:02:04.5 MB: And you were part of it. Like I was, 'cause I was out on the road at hundreds of media properties trying to get digital services launched. You and I were back in the dark age just trying to figure all that out, right? Getting small businesses, what do they need? And as we were growing, we were watching social media evolve and search video. Am I right? I mean, it was all just kind of the wild wild west, right?

0:02:25.2 BB: It really was. I think we, you know, we had at least Adtaxi had decided, you know, if we can't beat 'em, join them. You know, a lot of dollars are moving to social media and search and programmatic among other things. And we thought if we kind of had this motto, you know, sell the advertisers something they wanna buy and...

0:02:47.1 MB: God forbid.



0:02:47.2 BB: That really made a big difference for us.

[laughter]

0:02:50.5 MB: That's the best advice I ever got in my radio days, is find out what they want and to give it to them. I have that on my desk. But anyway, so you really didn't excel to Adtaxi? Didn't really. I'm kidding. I mean, I do remember a day in 2015 when I was living in Florida. I'm in Nashville now. You actually called me. I took that as a courtesy. I don't know why I was on your list. I think I was most probably number 23 under your plumber, when you called me as a courtesy saying I'm starting a digital agency called AdCellerant. Since then, [chuckle] since then, you have had 4000% growth. This is unbelievable story. Over to \$75 million worth of revenue. You were named CEO of the Year in 2018 by the Colorado Technology Association. Top 40 Under 40 by Denver Business Journal. You write now, believe it or not do you not write columns ongoing that are Internet like Newsweek?

0:03:40.4 BB: Yeah.

0:03:41.0 MB: Yeah. And you were voted your Best Workplace with Colorado by Inc. Magazine. I mean, the accolades would have been amazing, the growth of AdCellerant.

0:03:50.7 BB: Thank you.

0:03:50.7 MB: And now it's this huge company 83rd fastest growing company in the US according to Inc. And here you are relaxing and having time to chat with me. I can't believe it. So we're gonna take a short amount of your busy time, Brock, chat about the industry and how you feel about it. And with your permission, we'll do it on the backside of this message.

0:04:09.8 Announcer: This episode of E&P Reports is exclusively sponsored by BLOX Digital Formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management, and more. Join the over 2000 news publishers worldwide that power their ongoing digital transformation with BLOX Digital serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you at scale with the community you need to reach. BLOX Digital formerly TownNews now reimagine to help meet the news publishing challenges of tomorrow and beyond. Learn more @blocksdigital.com.

0:05:14.3 MB: Okay, Brock, I know about AdCellerant. I see you at all... The last time I saw you I think was Borrell. Tell me the scope of where you are today as far as the legacy media industry today. How big is your footprint? How many companies, radio, TV, print are you providing white label services for right now in the world?

0:05:37.8 BB: Yeah, so it's interesting, you know, AdCellerant's business model is to bring Madison Avenue level marketing solutions to Main Street businesses. So, you know, our goal has never been to work with Fortune 500 companies.



0:05:52.1 MB: Okay.

0:05:53.0 BB: And today we still don't, you know, it is an intentional decision. We work exclusively through media companies and agencies and that's, we've had the luxury of working with some clients advertisers through those relationships where their media budgets are north of 50 million a year. So we've had some great experiences and some really large advertisers and we still work with a lot of the largest advertisers. Those are the ones that typically really stick around. But today we work through we try to realize that vision of bringing Madison Avenue level marketing solutions to Main Street through about 500 different media companies all around the world. So that's...

0:06:33.5 MB: How many small businesses, ballpark right now are doing something through an AdCellerant monitored or working solution right now?

0:06:44.2 BB: To this month, there would be roughly 12,000 small businesses that are working with us.

0:06:51.0 MB: Alright. Now, this is good timing, 'cause you and I spoke at Borrell. Borrell, for those of you that are listening, Borrell, Gordon Borrell, Borrell Associates, big research company in the media industry that analyzes advertiser spending. But correct me if I'm wrong, I was concerned at the Borrell conference. I told this to Gordon. 'Cause I predicted... I was sitting and actually having breakfast with someone from your team. And I predicted the first slide would show that the future of all advertising is today's small business. Do you agree or disagree? In other words, if we all put all our money on big-dog, agency-driven business for the future of advertising, that may not be our future in today's media world. It's small business. But I didn't hear a lot of people there during the program saying, "Let's go after that business." I still saw a lot of sessions on agencies and dealing with big dogs. It's hard to work with a small business, right? I...

0:07:48.6 BB: Yeah, I would tend to agree with you. I think that the number of media companies who will make most of their money on businesses that are spending nine figures with them in a year, that number is gonna be very small in the next five...

0:08:05.1 MB: Very small.

0:08:05.3 BB: Or 10 years, if it's not already pretty small. The preponderance of the ad revenue that these companies are gonna get, are going to be able to secure, will be through small businesses. And I... Fortunately, in the United States alone, there's 30 million SMBs, according to the US government. So, and among those, there are tens of thousands, hundreds of thousands that are spending quite a bit of money. And those dollars can scale up to millions in terms of local advertising relationships. Those are obviously gonna be some of your larger local dealer groups and whatnot.

0:08:44.3 MB: Yeah.

0:08:44.6 BB: But the bigger money for these clients, I think the stable money will be their smaller,



consistent advertising relationships.

0:08:54.9 MB: So, let's get into the solutions because this is why I'm so... It's so great to have you on this program 'cause you manage this now big company that's dealing with hundreds and hundreds of media companies. And I know you're nerdy 'cause I've known you for years. You're looking at what's being purchased and where it's going. You're trying to keep your eye on the ball. So, let's go back a few years, and I may edit this out 'cause we only have so much time. But let's talk about search, okay? Let's go back to the days when Google, remember that, came out and just started owning search. 'Cause you remember the days of Infospace, Lycos, like I do, where everybody was trying to figure out search. So, here comes Google, and AdWords had very little margin, right? Remember those days, selling AdWords? Everybody wanted to avoid it because you couldn't market it up too much 'cause no one wanted to sell AdWords. Remember those days? We always...

0:09:41.8 BB: Oh, for sure.

0:09:44.7 MB: You gotta give 'em what they want, right? So you gotta find a creative way. How do you get over that margin versus dollars mentality in a world of media today? I hope that's not a loaded question, but you get where I'm going with this.

0:09:58.2 BB: It's a great question. And I have to tell you, it is something that our company is... It's a blessing and a curse, to be really candid. We saw it. It was especially difficult during COVID. I'll get into that in a second. But to address the first part, which is, "Hey, there are gonna be some low margin products such as search, where it is hard to wrap your mind around as an executive or as a business owner or a media company, like, why should we be selling this because we're not gonna make any money? And that is the obvious conclusion that they're going to come to. And as a company that runs tens of millions of dollars in search every year with almost maybe a 1% margin on it, I can sympathize. But what I do, and this is... You're right about being nerdy, especially about data. Our retention rate of clients who buy search is about 97%...

0:10:56.2 MB: Wow.

0:10:56.5 BB: Which is amazing, right? Once they start buying it, they're not gonna stop buying it. And that's the type of customer that if they're buying that product, they're gonna buy from us for a really long time. And then if we can get 'em to buy programmatic, local SEO, some things that have considerably higher margins, the overall relationship ends up getting a lot better. During COVID, we saw revenue, in the first week after the country shut down, drop 40% in about two or three days. It was one of the scariest moments of my business career. And what didn't cancel were all the search campaigns. [laughter] So, it wasn't just that we lost 40%. It was that we lost 40% of the stuff that actually had a margin. And our product mix stayed insanely outta whack for over two years. It took us over two years to rebalance product mix away from... And we don't want... We wanna keep selling search, but we couldn't have such a high concentration of search as a total percentage of our revenue.

0:12:05.8 MB: Yeah.





0:12:05.9 BB: 'Cause it would fit the margin. But it took us two years to rebound from that. But today, it's back to pre-COVID levels, and our business is healthier than ever.

0:12:15.5 MB: So, let's go into the other product. You mentioned programmatic. Programmatic, to me, was the best sell in the world because it was so easy to explain. To me, I kept using that term over the years. I made millions selling it. It was audience extension, reach extension, right? Train a rep to sell an ad on his own website. Why not just train him to sell the ad on the Internet the same time simultaneously, right? You got the... You're doing the creative, right? Just do the reach extension. There were good margins in that. Where are we going to be now if and when, I always... Will we lose cookies? Is third party data dying? And where will programmatic be in your humble opinion sir?

0:12:58.5 BB: It's an interesting question. I think the future of targeting and reach extension programmatic advertising is just going to change a lot. There is a, gonna be a considerable focus on first party data. So if your client has an email list, they know who's purchased in the past, repeat customers are valuable, or they're purchasing lists, perhaps. I think where you get the biggest challenge is gonna be in some of the third party data. I think that those companies, they're billion dollar companies, they're not just gonna give up, right? So they're probably, they've already been collecting as much data as they possibly can to be able to make it easier for us as buyers to connect, target audience with an advertiser or an advertiser with their target audience.

0:13:52.6 BB: Another thing that's happening, it's really interesting, is a lot of these retail brands that have a tremendous amount of data about their users, Walmart, Target, Walgreens, Dollar General, they're taking all their data and they're making it available to be purchased programmatically. And in some cases, depending on what your business model is, if it's E-commerce or something as an advertiser. They're gonna be able to even give you attribution down through your campaign. So there's a chance that as the world shifts below our feet it's, it might actually end up making it better for the advertiser right? 'Cause these are gonna be pure matches when you're right. A cookie is sort of a... It's never been notoriously accurate. But an email address and exactly what somebody did on a website tied to their email address, I don't think you can get more accurate than that.

0:14:49.6 MB: You can't get more granular than that. Final question, if I may. You and I both ad guys, we both had senior positions as advertising sales managers and legacy media companies over the years. You were just offered a billion dollars. You're taking over a middle market legacy media company with a Salesforce of 15, about to go out and sell hyperlocal media. What would you do, Brock Berry, as an ad director in Legacy Media today to ensure a future for multimedia sales? I hope that's, I hope you can give me an answer on this. I hope it's not too loaded of a question, but what would you do?

0:15:26.1 BB: You know, the first thing I would do is that ad director is, I'd focus on the team. I wanna understand, who are my A, B and C players. I want to make my B's, A's, C's, D's or out. I wanna get that team as strong as humanly possible, 'cause we're only as good as the people that we work with. I might be the best salesperson of all time, but if I have 15 people that can't sell, it's, I'm not gonna be very effective. So I highly believe in getting the network effective. Your time and your team is the only way to do that.

0:15:56.6 BB: So focus on the team first. From there, in that new position, focus on the clients. I would go out and get to know every major advertiser and then make sure that somebody from our team, our leadership team knows the middle market of that client segment. And then we talk about how we work with the smallest of our advertising clients. Need to know those people 'cause people wanna buy from someone that they like to work with. And if I'm not out there face-to-face with the customers, they're not gonna know me. And I think that if I can spend time with them, they're gonna wanna buy something. That's just kind of how human beings are. It's natural. It's been that way for my entire career. From there, I'd focus on the long-term forecast and I work with a lot of media companies. This kind of goes into the plan, but like, I work with a lot of media companies and I'll ask them like "Where, how far out are you on your forecast?" And they'll say "I've forecast for this month. I have forecast for next month"

0:16:57.2 MB: Right.

0:16:57.2 BB: Okay. Well what about like two months from now and three months from now? Or six months from now?

0:17:00.7 MB: I don't even know if I'll have a job then, right? I'm just focused on the...

0:17:03.8 BB: Right. And I, it's, and 'cause like, you can't manage something that you don't, that you can't see, right? And if so, if your team says they're gonna miss their budget in September, it'd be good to know now, right? 'Cause you can do something about that today, which it's really hard to do something when it's September 1st. So really focus on the long-term part of my business and really understand where my gaps are so then I can build a plan. And then from there, I think the most important thing, this is another thing I think that all of us struggle with, but just set rigid expectations. Here's the plan, number of sales calls, number of meetings, number of presentations, proposals, what has to be in every proposal, prescribe it and put it out there in the market. And then just be vigilant about holding people accountable. It sounds so simple. It's like a, such a simple recipe, but I can tell you that simple recipe has worked for us to go from three founders to 200 team members in 10 years. And that's... We haven't changed the recipe. It works the exact same still to this day.

0:18:10.6 MB: I'm so glad you verified everything, because I always say it's just basic block and tackling, right? Just, not much has changed. Just do the job. Brock Berry, founder and CEO of AdCellerant. It's an honor to have you on the program, sir. Thank you so much for sharing your thoughts. Thank you so much for supporting our magazine and more importantly, thanks for being, I guess I would say positive about our future and where we're heading as long as we just get the job done right?

0:18:44.2 BB: I believe it's there. It's just, you just have to go out and get it. It's, it is that easy.

0:18:50.0 MB: Thanks Brock.

[laughter]



0:18:50.3 MB: Thanks for your time.

0:18:51.7 BB: Okay. Thanks Mike.