

**Oleg Krutko and team**

**MEDOR**

**How to build an honest business, build a strong team and make a lot of money**



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## **Introduction. The army, elections and Christmas trees**

### **With a hammer and a telephone**

A small office in a run-down St. Petersburg hotel with the banal name "Tourist". There are four desks, bloated linoleum on the floor, and a baseboard that has come loose from moisture. The room has a stale odor. Armed with a hammer and a telephone receiver, a man is hammering nails and talking on the phone at the same time. There is a line outside the door, several people waiting to be invited one by one into this dubious room.

Finally, things move - the door opens and a man in a suit enters the room - a candidate for the position of branch manager. At this time, a man in jeans and a crumpled T-shirt, bought for five dollars, is still banging a hammer on the baseboards, with his shoulder pressed to his ear phone, telling someone about advertising on transportation. Then he sits down on a chair, concludes the conversation with an agreement on payment,

turns his gaze to the next applicant and begins the interview. And the first thing he says is

**the previous director of the representative office was fired without pay because he turned out to be a complete bum!**

How does that sound? Promising? The man with the hammer was me, Oleg Krutko, founder of the Medor advertising agency. At that moment, I came from Moscow to St. Petersburg to find a new director of the representative office in the Northern Capital after several complaints from clients. The case was in 2010. That branch no longer exists: there is a partner in St. Petersburg who bought a franchise from us. His business is going amazingly well, he has excellent profits and a team that is renowned for its diligence. But it wasn't always like that.

Today Medor is a large advertising agency that offers clients in ~~Russia~~ a wide range of advertising services (in fact, almost any kind of advertising at all), a developed network of franchisees in Russia and abroad. How we came to this and what lessons we learned; I will tell you in the book you are holding in your hands.

I will be glad if our experience comes in handy and you do not step on the same rake that we did. We are also happy to share successful ideas. Just remember that there are no universal methods, and what worked for us will not necessarily be as successful at other times and under other circumstances. Nevertheless, it was a great story.

So, first, let's turn on the imaginary time machine and travel back almost twenty years from the time of the book's writing - to the early 2000s.

And just in case I clarify: for convenience, all prices will be quoted in dollars at the exchange rate of the time mentioned, so figure out roughly what and how much it cost then.

## **Tug of war with a lieutenant colonel**

In 2002, I studied at the Military University of the Ministry of Defense. At a certain point I realized that I didn't want to continue and become a professional military man. There were many reasons for this. In particular, there was a story that clearly showed me that the army was decaying.

One lieutenant colonel was making arrangements to let us go on leave. But not for nothing, but for a task. We were to go door-to-door collecting signatures for different political parties. Remember when that was the fashionable thing to do? They paid us 20 cents for each signature. It wasn't much, but it was better than nothing. Six signatures an hour times four working hours, that was about five or six bucks. At that time, it was enough for a bottle of vodka and an entrance to the nightclub "Fifth Element" on Molodezhnaya Street. We all went to that disco!

Everything was fine, until one day I got the contacts of the customer for collecting signatures. It turned out that the real cost of one signature was 60 cents. That's three times what the lieutenant colonel was paying us. I offered the other guys to give me all the lists with the collected signatures. They agreed, seeing that I had a plan....

Anyway, the lieutenant colonel and I had a funny confrontation. He was cursing and even pulling the packet of signatures on himself, and I, demanding fair payment, on myself. And since I physically outnumbered him, the lieutenant-colonel had little chance. Your humble servant, of

course, apologized, but did not let the papers out of his hands. In the end he paid the full amount, the money I gave to the guys, all fair and square.

As it is easy to guess, the lieutenant colonel disliked me from then on. He was our teacher and intended to lower my grade in his subject. Simply put, he began to "sink". But I still had no problem answering all his additional questions, which pulled myself up to an "A". But it didn't matter much, because after the story with the collection of signatures I finally became disillusioned with the army and its whole structure, and decided to quit.

It is not an easy task to leave a military school for civilian life. Of course, they didn't want to let me go just like that, they tried to influence me in various ways to change my decision. But the more they pressed, the more I resisted.

I had to use heavy artillery. I found out: if a serviceman did not appear on the territory of the unit for nine days, it is an administrative offense. He can be punished, reprimanded, but that's all. But if a serviceman has been absent for ten days, then criminal responsibility begins. The case smells of real prison, i.e., disbat. I see!

Anyway, I left my unit for nine days. Then I came back, bought coffee in a cafe on the territory of the unit, took a receipt as proof of my presence - here was the coffee I bought. Then I would go to the training building to I was scolded by the command staff and "rewarded" with out-of-turn detentions. But as soon as there was a pause in this endless scolding and I had a chance to go to the toilet, I left again.

The sanctions became tougher - my friends were put in the outfits. In general, everyone who spoke to me was immediately punished. I was like an ulcer that the management intended to cut out along with



everything around it. I was yelled at for not obeying the command, more and more threats were made. But I acted within the law, the management had nothing to charge me with. If they yelled at me, fine, I had already made the decision to leave.

## **Tickets, tapes and elections**

I can't say that entrepreneurship has attracted me since I was a teenager. I just did a few odd jobs. I washed cars, handed out flyers - probably like most guys my age, I just couldn't pass up an opportunity to make some money.

That's why I didn't do nothing for the nine days I was out of the unit. I was not a lazy man, and I needed the money, so I took a job that paid by the day. I worked, for example, as a courier - delivering theater tickets. So, I was entrusted with the distribution of tickets for performances of the theater "School of Modern Play". I took everything to the box offices in the subway, negotiated that they were taken for sale. Then, on the day of the performance, I drove around the points until lunchtime, collecting the proceeds and unsold tickets.

And then one day an acquaintance who knew that I needed money offered to go to a rally, promising 5 dollars per participation. I agreed and asked how many people they needed in total. He said a lot, about 400. Hmmm... I thought about it and said I would bring that many people, no problem. It wasn't difficult for me to call everyone in my notebook (as I remember now: 360 people!) and call them to the rally. I got acquaintances of acquaintances, and then acquaintances of acquaintances of acquaintances, and so on. In general, in two days I really gathered the necessary audience for the rally of the Party of Revival of

Russia (there was such a thing, yes) - I remember all my customers and I love them!

I haven't forgotten that I earned eight monthly salaries in two days - because I kept 70 cents of fair commission for each person I brought.

Grateful customers began to recommend me to other organizations. Various offers came my way: for example, to put up flyers before elections. There was a funny story with them, too, with these leaflets. They were mostly pasted by cadets, and in those years, the Military University had a so-called caste system. It manifested itself in the fact that if the customer pays, for example, 15 cents per flyer, the final performers eventually received only 3 cents (that is, almost nothing). The "cool kids" on the course took almost all the money, and the guys who did the work were given only 20 percent. Over time, I realized that

**that cheap labor was too expensive in the long run,**

because in reality, the work in such a scheme is poorly done, people try to cheat each other for an extra penny. And most importantly - half of the print run is just sent to the trash cans by unscrupulous stickers. Why work hard for pennies?

So, there is an additional "overgrowth", which does not perform any function, but money settles on it. In short, the scheme does not work.

Some time later, I was offered a job for as much as 360 dollars, in the company "Melfuds". That was a lot of money in those days. A lieutenant, for comparison, then received 130 dollars, a lieutenant colonel - 250-270 dollars. So yes - my salary as a sales representative was more

than that unfortunate lieutenant colonel who was competing with me! I went to the points and arranged for them to buy the necessary products. But the music did not last long - I worked like that for only a month, and then I was informed that the company is no longer interested in small points, it will now focus on large stores. In short, the retail department was being abolished - managers like me were no longer needed.

There was no time to be upset - almost immediately I found a job as a "development manager". I promoted language courses on disks and cassettes. The task was to open new points of sale, to organize their work. One point - a hundred dollars. At that time there were already two working. That is, I was earning 200 dollars a month. At the same time, I continued to gather people for rallies, earning an additional 1000-5000 dollars per action.

The State Duma elections were underway at the time. After the successful realization of several orders, I was introduced to my future teacher and friend Mikhail Khaluga. He invited me to join the election team of our candidate Evgeny Sobakin as head of "Organization of Mass Events and Distribution of Printed Advertising Materials". Simply put, he called me to work for 1000 dollars a month.

At first I refused, remaining on my salary of 200 dollars. I continued working with the language courses because I didn't want to let people down. But soon my father asked me for money to repair his car - 500 dollars. I had to tell my then manager about the situation. And what was there to do? I got his approval to change jobs and still agreed to the offer to work in the election headquarters. There were only three weeks left

before the election - and imagine, I also received a bonus, earning 1200 dollars! We worked hard then!

When the election campaign was over, Mikhail Khaluga, the head of the headquarters, offered me to continue working with him. Namely - in the advertising agency "Center for Creative Technologies "Silver Wolf", which was formed from former members of the election headquarters. Mikhail was invited there as general director. And I started working for him as head of the sales department - why not? To be exact, I was the department itself, in one person, but the job title on my business card was pleasing to the eye.

The agreement was for a small salary + a high percentage of each deal. But as soon as I signed a contract with a client for a large sum, the agency immediately forgot about its obligations, and instead of 3000 dollars I received only 500. This organization was not doing very well. I left there without a scandal, having gained valuable experience. Non-compliance with agreements became a red line, which, by the way, Medor (which at that time was yet to be born) has never crossed and will never cross. After all, nothing reduces an employee's motivation as much as an underpaid sum! The principle of fairness - one of the bases of successful cooperation - is violated. Therefore:

**we have always paid and are still paying people the money  
that they have earned.**

**Here you go, soldier, Christmas tree!**

You may already be getting tired of all this fuss with different places of work. But, dear reader, our book is impossible without it - simply because the subsequent events will be a consequence of this whole "era

of formation" (I'll call it that). In other words, it is important to understand under what conditions and circumstances the preconditions for the future of Medor Agency appeared.

Therefore, I will continue. In 2003, on New Year's Eve, I decided to make money selling Christmas trees. I lived at that time with my mother and brother in Kuntsevo, so I went wherever I could: I drove around twelve markets in the Western and South-Western districts of Moscow, talked to the owners. In the end, I agreed to rent a site near the Teply Stan metro station - for four days. Here I must make a small digression. When I used to gather masses for rallies, apart from students, I also found various alcoholics and other idlers on the square of three railway stations, on "Pleshka". There you could hire laborers for a whole day for a small fee. There I met two alcoholic foremen who recruited people for rallies, one was called Igor, the other Vova. I gave them money to go to the Vladimir region to buy Christmas trees.

A couple of days later, Volodya calls and says:

- "We're in some hotel, Igor is drunk, there's no money, no Christmas trees.

There was nothing to do, the sum had to be repaid somehow, and it was desirable to earn some extra money. He started looking for funds for a new purchase. I borrowed 3000 dollars from Irina Karpenko, the wife of my friend Alexei Karpenko (at that time it was a serious, but still not as substantial amount as it is now), hired a KamAZ, came to the guys... It turned out that Igor drank even his winter jacket. I bought him a new one - in my youth I believed in all people indiscriminately, sincerely believing that we were a team, even when no one but me did anything.

In the end, I bought the fir trees from the forester, loaded them into the truck and drove to the point. We started selling - the trade was brisk, our proceeds for the day reached 2500-3000 \$ at that exchange rate. Neighbors who sold pine and fir trees on the site next door earned \$200-300, i.e. ten times less, which they did not hide. Why did we make more money? This is another business lesson that has been with me for life. Customers came to us willingly because we were smiling and open. We'd say to every passerby: "Hello, we sell Christmas trees here! Do you need one?" The person would stop, a dialog would begin, and other interested passersby would pull up. We were literally like the flight attendants at Virgin Atlantic - all super positive. We hung jokes on the fence of our point so that people would stick around and read them. Some people were even given goods for free: "Hey, soldier, here's your holiday tree!"

In short, there was always a crowd gathering near our Christmas tree market. I was not taught anywhere that it is necessary to smile to everyone, to attract people in every possible way and communicate with them. But I immediately set my employees a task: there should be at least three people in front of our site. You serve one client, and two or three stand in line, waiting, creating a frenzy. We do not rush, we pay attention to everyone. But as soon as the queue increases, we work faster, so that there are no more than three people, but not less.

We worked in threes, that is, we could simultaneously serve three customers at once. And if one of us was free, he started giving sprigs of fir trees to passers-by to avoid standing idle. The givers said: "Thank you", - stopped, and ... again there was a queue and a crowd. To put it in modern terms, I had set up the right system to create hype!

In addition, we provided a wide assortment: we took from neighbors pine and fir for sale and sold them in our "coniferous hypermarket" more than they do on their, so to speak, monobrand points.

We were on a roll, on a spree - cheerfully traded from early morning to late evening. And in the end, in two and a half days, we sold everything for nothing. From the money I earned, I paid the foremen, paid off my debt, and, yes, I still had some left over for myself - so it was not all for nothing.

### **Campaigning in a Batman cape**

I was periodically offered to take part in election campaigns, so I didn't sit idle for long. My classmate and friend Alexei Karpenko found a client - Irina Hakamada. It was 2004, and she was running for president. Lasha and I were sent to work on the island of Sakhalin, to head the election headquarters.

It was assumed that we knew what to do - how to organize an election headquarters, how to set up its work. In the end, we flew in, rented an apartment and an office, bought me a big hat and a leather cape like Batman in the movie of the same name, a VCR (they still existed, yes), and we also hired a driver. We spent almost all the money we were given on the purchases - we thought they would send more, but we were wrong.

The local TV station gave free time to the authorized representatives of presidential candidates. Clips of my speeches ran on TV. I was 22 years old at the time, but I was already saying something about power in a confident voice.

Although... we didn't really know what exactly to do at the headquarters (as, in fact, did everyone else). And in general, we were sent to Sakhalin only because we were "good guys" - we successfully gathered

rallies and worked hard at the elections. They did not prescribe responsibilities, did not give recommendations on the budget - a common story in those days. "Handle it yourself."

So, we sat in the headquarters and drank beer in the evenings for nothing. When it ran out, we went to the casino, because in those days night stores did not work on Sakhalin. We would buy beer with a terrible markup and take it to the office to continue the "work of the headquarters". We organized a casting call for the position of "secretary", a secretary, not a secretary, which was fun - with champagne and positivity.

By the way, everything is expensive on Sakhalin. Food prices are five or six times higher than in Moscow. So we used up the money in a week. We called the capital and asked for more. But they were in no hurry to reply.

Problems began - when we rented an office, we agreed to pay later, because we were from Irina Khakamada, a presidential candidate after all. We were kicked out of our apartment for non-payment, and we started living in the office, where they still kept us. We slept on desks, jackets instead of mattresses.

And then there was more. We wandered around the city looking for coins. We used the rubles we collected on the streets to buy phone cards to call Moscow and ask for money. That is, not so long ago we were chic and drank beer in casinos, and now we are looking for change in the snow. But the interesting thing is that we always found something, and everyone certainly had enough for Rollton. Although there were days when one package was shared between two people.

Anyway, we had nothing to do, and we spent all day playing some kind of computer shooting game. And we kept calling Moscow, repeating:



"Send money." People came to our election headquarters and also asked: "We are having a Korean wedding, there will be two hundred people, we will campaign, give us money. I listened to this, nodded understandingly, and my stomach was rumbling so much that I couldn't believe it. In my opinion, even the visitors could hear these sounds. But I couldn't say that we were beggars and we didn't have a penny, so we had to live up to our status.

No one was desperate, though. We had a plan for getting from Sakhalin to Moscow if we didn't get any money. We would hitchhike to the town of Korsakov, get a job as sailors on a ferry, and work as long as necessary. Then we'll be transported to the continent.

From there we hitchhike to Ust-Ilimsk. This is Alexei's hometown. There we'll ask his parents for money and get to Moscow. That way we'll be saved! If it had happened, a separate book could have been written about such a voyage, but....

Moscow finally sent money and leaflets for distribution. We paid the salary we had promised to the driver. The office was paid for from the candidate's current account.

And the first thing we did after distributing debts and working out all the necessary obligations was to buy airplane tickets!

## **Chapter 1: He who is lucky is lucky.**

## **"MEDOR" - the first attempt**

So, I returned from Sakhalin and began to think about what to do next. With my old friend Alexei Kokorin, we almost immediately decided to open an advertising agency - and why not? It was the end of 2005. We registered "IE Krutko", and off we went - we rented a modest office at the station "Komsomolskaya", put up a sign "Medor".

The name "Medor", by the way, was invented by my ex-wife (yes, I also had time to get married). The idea was that employees, like bees, bring honey to the hive, each contributing his or her own. This is about the first syllable, and the second (OR) - in translation from Spanish "gold" (actually ORO, but now it does not matter). That is, according to the idea, each employee brings his or her own value to our common "hive".

The business plan back then was to supply promoters for various promotional events. Employees worked for \$6.60 an hour, of which the promoter got 6 and the cents were left to us (the organizers) - all fair and square. It's exactly the opposite of the predatory pay option I previously had to go through myself. I didn't want people who came to work for me to consider themselves cheated.

So, rented an office, set up a sign, and I began to call potential customers, offering our services. But the happiness did not last long - we worked like that for only three or four months. It was good that at least we didn't hire a lawyer and an accountant. Alexei already had some experience in business: video rental, pharmacy and other things - I was counting on his skills. However, it was at that time that he had a child, and our companion could not do our business - he simply did not have time.

Therefore, it turned out so that at the beginning of the business money, we equally discounted, but ... one person in the office from

morning to night was working hard (the telephone receiver was sticking to his ears), and the other, let's say, participated in the process much less. At the same time, we planned to divide the modest profit in half, but it did not happen. The business model, if it can be called such at all, did not work, and instead of income, losses began. I suggested to Alexei that we end the joint venture.

We invested about 12,000 dollars of our personal savings each in the first version of Medor. In the end, all that money disappeared, plus I was left owing something. It was frustrating as hell. With tears in my eyes I took the name plate off the office door, as if in some Hollywood movie... But life is life, you have to move on.

### **Klava, I'm not your lover!**

After my own business failed, I got a job at the newspaper Extra-M. It was a publication where almost all the space was taken up by advertising. Yes, in the nineties and part of the noughties even such a topic was quite in demand. The job seemed dust-free: it was necessary to attract clients to publish their advertising. It seemed not particularly difficult - I already more or less knew how to call. Problems, however, appeared almost immediately: it turned out that the declared three million circulation of the newspaper in reality was much less. And the distribution was not organized as perfectly as the management claimed. Customers called and complained that the newspaper arrived late and was not delivered to everyone. I had to blush and throw up my hands.

As I realize now, the structure of that company was wrong - such a model cannot be effective in principle. Well, tell me, what can happen when managers occupy only half of one floor, the other half is the accounting department, and the management sits on three floors? In simple terms, it's called

## **one plowman for one plowman, seven eaters.**

The "eaters" have much higher salaries - if the manager works for 650 dollars (salary plus interest), the management gets 6500 - 10 times more. And yes, I got into a company that was basically living out its century - no one there wanted to think about development. For example, when Yandex with its contextual advertising first appeared on the market, it actively advertised in newspapers: "Yandex - everything can be found", remember their slogan? And "Extra-M", by printing this advertising on the front page, was essentially guiding its own clients into the clutches of the strongest competitors of the new wave.

Plus, there was a kind of hazing in the company... So, at this point you might think that the author of these lines is complaining too much. But believe me, dear reader, I, with all my military training experience, know how to withstand pressure. All this information is just for the sake of completeness, so that it is clear what I had to go through.

So, we, the newly hired managers, were sitting on cold calls - only doing what we were doing to attract potential clients. And the guard of old managers were in fact resting. When an employee quit, his clients were distributed among the "old-timers". New incoming requests were transferred only to "long-time" managers. A newcomer had to work for a long time to be accepted into the system and shared with "warm" clients.

And at one point, I think I was ready to be elevated to the rank of "old-timers". But blah blah blah, that wasn't the reception I was expecting!

Anyway, at some point the author of this book was attracted to the head of the sales department, let's call her name Klavdia. A pleasant woman in general, older than me by 5-7 years, she began to openly give

me unambiguous signs of attention. In violation of all written and unwritten laws of communication, flirted young lady in full view of the entire team. There began giggles and giggles from the colleagues. With a personal life I had everything perfectly, about what at one point and told the boss directly. Probably, her further behavior was due to resentment that I did not reciprocate.

But at the same time, I still had to earn a living somehow - I had to work energetically. It is difficult for a manager to take on a new client who has been advertising his services on the market for a long time. Why? The simple fact is that he is either already in the newspaper, or has tried to be placed and it didn't work, or is assigned to an old manager who works with the client. That is, I (and others like me) had the task of finding new customers for the Moscow market.

One day I read in Vedomosti that the Urals bank Severnaya Kazna was planning to enter the Moscow market. I called them - directly to Ekaterinburg - and offered them an advertising space in our newspaper, since they had decided to conquer the capital. During the conversation, I learned that the deputy chairman of the board and the president of the bank would soon be flying to the capital, and I arranged a meeting with them. We saw each other, negotiated the terms and hit the ground running. We will advertise the bank on a whole page!

Colleagues were surprised: Wow, a relatively new manager caught such a big fish! The typical size of an advertising module is ½ a matchbox; modules the size of a cigarette packet were an event. The newspaper contained only 32 pages (printed pages), and the fact that one whole ad came from a new client was a special event.

But... the bank didn't get the expected "output" from the ad. For several reasons: the mismatch of the bank's target audience with the advertising medium, the above-mentioned quality of distribution, and in addition "Extra-M" divided Moscow into two parts, north and south - it is as if, for example, if you put a ruler to the map of the capital, from Krylatskoe to Shchelkovskaya, you get a "northern" zone of coverage. It is approximately the same in the south. Accordingly, newspapers with advertisements were distributed only in these areas, and the bank's branch opened right in the center, at Tuskaya. That is, there were a lot of advertising contacts, but the actual penetration of potential clients is not high, people want the bank to be close by.

In parallel with my activities in the field of attracting clients, the company continued intrigues at the level of "Game of Thrones". The aforementioned Klava, as the head of the department, had access to the entire client base. She took advantage of her position and secretly offered this client more favorable terms of cooperation, which I, an ordinary manager, could not promise. Simply put, she tried to appropriate a particular customer and the associated laurels for herself.

And here I am, talking to Severnaya Kazna, and suddenly I learn that they have approved new publications in the same "Ekstra", although it has never given them a significant return before. And that the negotiations go directly through the head of the department. Klava, when I asked her, "How did this happen?" - she replied that the company had to develop, and she was the one who ensured that. I see, I see.

I quickly organized a meeting with the bank's management, to which we went together. As a result, I offered the client even more favorable conditions for placement in the newspaper "Okruga", which was part of our holding, but had a more convenient distribution for the client - by

districts (as it is easy to guess) - and almost entirely consisted of articles, which was more suitable for the client's format. Thus de facto canceled the boss's deal, even though the bank was already ready to pay the bill. Why did he do that? Because the most important thing is to keep the customer happy. That's one. And there was another reason, too: "It is madness to do the same thing, expecting a different result each time" (Albert Einstein's words). Why repeat a similar placement that the client was dissatisfied with? Even if at a lower price.....

And what is also important (this is third): I am allergic to deceit and dishonesty. I found the client, and Klava wanted to take him out of personal revenge. You can't do that, it's wrong! She, of course, took even more offense and tried first to kick me out of the department, and then to fire me from the company. But, damn it, we don't have to reciprocate any intimate offers - everyone has their own choice. Mixing personal and work is low.

Here I formed another, already personal rule: no affairs at work.

I couldn't stand it any longer. I turned to the top management and calmly told them this story. I noted that, in my opinion, the head of the department should not try to "run over" a manager out of resentment. I argued that we come to the office to work and bring money to the company, not to find out who is going to date whom. Well, that's logical, in my worldview, that's the only way it should be!

Although the General Director was a close friend of Claudia's, she took my side, and that lady was transferred to another department, and we were assigned a new manager. And I got a "star" in the team, as in a computer game, when the hero receives prizes for winning the battle with the boss.

Colleagues perceived it that way - that I "failed" the boss. Were you proud of yourself? No, I was only happy that I could now work in peace, and no one would be putting sticks in my wheels.

### **EXTRAordinary people**

Around the same time, a strange period in the life of the company began: the commercial directors began to change. One of them, let's call him Athanasius, was directly attacked by all the managers of the old guard. They did not like his policy: he wanted to delve deeply into the work with customers. He wanted to personally meet with customers, get feedback from them on the work of the newspaper staff and on cooperation in general....

Now, with fifteen years of my own entrepreneurial experience, I realize that Afanasy did everything right. Those managers simply had a natural resistance to reforms: they had been sitting in the same place for 7-9 years, doing nothing much to promote themselves and develop the company as a whole. They just picked up the phone when it rang, that's all!

That man turned out to be firm - he stuck to his line. The older employees asked me to help them "take him out" (kind of like an "experienced" corporate hit man). Being a straightforward person, I told them:

*"If you are so smart, why haven't you become directors yourselves yet, but are sitting in ordinary managers? So you are not that smart, are you? And since your competencies don't stretch to the level of a director, how can you teach him how to do his job?"*



What good is the hard truth spoken to your face? Sometimes it is necessary, but this was clearly not the case. Now it is clear to me that of course it was impossible to answer like that. I took and in one moment made a dozen enemies in an already difficult environment.

I didn't agree to dump my boss, and my colleagues took offense, and my relations with them deteriorated. Further - more: when my son was born, I "showed off" in the office, shared this joyful news. The nuance is that no one knew that my wife and I were expecting a child (I do not like to talk about plans and expectations, it is better to tell the fact at once). Instead of congratulations, I was bombarded with a barrage of negativity: "Not only that you refused to participate in the business, but also a son here bragging". In short, they took my joy in spite of themselves.

On top of that, I was again underpaid for my Northern Treasury bonuses. Instead of 2500 dollars, or 8% of the turnover for a new customer, I was given only 500 dollars. Again a violation of payment agreements! It became clear that the period of my work in "Ekstra" is coming to an end.

Which way to look? At that time I just caught fire with a new idea: there was contextual advertising "Begun" from Rambler. If you suddenly do not know, "contextual advertising" - this is when you write in a search engine some queries (for example, "online learning English") and get in addition to the main output ads tied to your query, ie advertisers pay for placement on specific words.

"Yandex.Direct" then has not yet gained today's momentum, and it seemed that "Begun" can enter the market seriously and for a long time. I received training from them, and then at meetings with clients I told them

that it was now possible to reach the target audience from a certain region directly by keyword, rather than buying advertising space in general.

Clients wanted a comprehensive approach to advertising and a predictable "output" - everything is logical. They liked the newspapers - Extra-M and Center-Plus (a similar theme) - less and less. Right, in such press the promotion was built on the principle "come to me for treatment, both cow and she-wolf" - all niches, all directions at once. Business prefers to attract applications from real clients, investing every ruble wisely. It was becoming unprofitable to get involved in a story with unpredictable results of advertising in newspapers. Paper was clearly beginning to lose ground to online.

I pondered these processes and questioned whether I should continue working at Extra-M because of all this. Anyway, I was so excited by the sale of "Runner" that I relaxed a bit and on one day I didn't come to the office (I was running around to clients for a whole day). Colleagues saw my absence as a chance to take revenge for not kneeling, and made a collective act. So, so and so, so and so - you skipped work, we demand to fire you. On top of that, my sales figures at the time were not the best either.

In general, they did not fire me, but instead transferred me to a related position with the wording: "What difference does it make to you what department you work in? It would have been better if they had fired me, honestly - it would have saved me some time.

I will omit various unimportant details. The point was that it dawned on me: clients in negotiations often wanted to expand the range of services I provided them. Simply put, they wanted to know if they could order, for example, souvenirs as well. An idea arose: to propose to the

management to create an advertising agency with a wide range of services on the basis of the newspaper "Extra-M". The main argument: we already have many loyal customers, and we could offer them not only advertisements in the newspaper, but also outdoor advertising, distribution of leaflets, souvenirs, etc.

But I didn't have time to propose this idea - now I think I just didn't dare to go to the management. And one day I came to the office, and my pass was blocked. Well, good: everything that is done - for the best. The idea of an advertising agency was discussed not with the management of "Ekstra", but with my friend Ilya Akhmedov, another former employee of the newspaper, with whom we had excellent business and personal relations. Can you guess what happened next?

### **A million-dollar "idea"?**

A little about Ilya - a wonderful guy with a bright head, who stood at the origins of our company. He is a goal-oriented, talented and positive superhuman. Ilya came from Omsk, worked as a manager at a newspaper, and in the evenings he worked as a pizza waiter and sold Amway products to everyone he knew. In a word, I was doing as well as I could.

Even before my dismissal, almost all of us, the managers of Ekstra's client relations, were called by the RBC publishing house. They offered us to join them for big money. Ilya agreed, but he worked there for only two months, and didn't show much result, since he had a big contract with the Moscow Pledge Bank, which is not a quick process with unpredictable results. But interestingly, Ilya was fired for lack of results, and he continued to work on the deal. He accumulated debts, but still believed in a big client.

Akhmedov eventually managed to sell advertising to the bank, but there was a problem: how to make the payment (he had not registered the company at that time)? In general, Ilya turned to me, and I shared the contacts of the technical company Intrade, which, however, took a hefty percentage of the transaction amount.

Cooperation with the bank was successful, they ordered Ilya a website, and then some additional souvenirs. It was becoming quite unprofitable to make payments through Intrade at the increasing turnover. Then we met, discussed the situation and decided to create our own company to make payments and documents through it. That was 2007 - my second attempt to make a business.

I proposed the same name for our LLC: "Medor". I liked it, and there was no desire or time to look for something else. Ilya, a smart and authoritative man, smashed my idea to smithereens. He said: "No one will understand your analogy with the beehive." He said that it all has to be explained and chewed up. And you need the opposite: to say - and immediately everything became clear.

In short, he insisted that our agency became known as "Idea", gave strong arguments, and I conceded. The decisive was the idea that the agencies with this name is already registered a good dozen and a half. And if we are called the same, there is a possibility that potential clients of other "Ideas" will start calling us. That's when we'll get them! Now, of course, it's funny to remember such a business strategy, but at the time the idea seemed quite reasonable.

The heat was on. I worked at home, and my wife and I lived in a one-room apartment in Fili. My son Gordey could ask for food or anything else at any time - crying, of course (and how else do babies

communicate?). So I had to go out on the balcony with my cell phone so that I could have a normal conversation. In this format, I negotiated, then met in person, sold advertising, traveled to printing houses and so on. I would stand in line with a wad of money and ask for my clients' layouts to be placed in the most favorable places. Then on the day the newspaper was published, I checked whether the phone number was correct, whether the ad was placed in that section. And yes, it happened that, for example, the numbers did not match. If I found a mistake, it meant only one thing - I "messed up", and I have to return money to customers. Such a mistake could cost me 1000 or even 1500 dollars. But I had no choice: **responsibility and reputation come first!**

If everything was in order, I called the customer and asked whether the flow of calls from customers had started. If there were no calls, it meant one thing: I had to change my strategy.

At the same time, it was becoming increasingly difficult for everyone to work from home - at some point Ilya persuaded me to go to an office. This guy always dragged our business forward!

And we rented a space on "Voykovskaya", a room of 18 meters.

At this point, I would like to pass the word to **my business companion**, Vladimir Sakovsky. I will tell you more about this wonderful man, without whom Medor would not have known its current success, a little further on.

**Vladimir Sakovsky, Managing Partner of Medor:**

*I rented Oleg his first office - yes, it was near the Voykovskaya metro station.*

*But no, I'll start with something else. As a fourth-year student, I took my grandfather's car for a drive, wrecked it, and started looking for money for repairs. I called around my friends and found a job as a realtor in an office building. Completely by accident, it turns out.*

*One man rented a large space, an open space, divided it into "squares", which he began to rent. In addition to realtor activity, I had to fully organize the painting of walls and flooring (carpeting). And the most difficult thing was to draw up contracts, which I had never worked with before.*

*Among the first thirty clients were two partners - Ilya Akhmedov and Oleg Krutko.*

*Ilya arrived first, a rather respectable oriental man, in a well-made suit, with an attractive girl, on a beautiful sports car. Having chosen the best and largest office, he said: "Tentatively we choose this one. In an hour and a half my partner will come, he will also look at it, and then we will make a final decision".*

*And so, an hour and a half or two hours later, comes a guy about five years older than me, in crumpled pants, dirty sneakers, with a backpack, wearing a cap. I asked: "Did you bring the mail?"*

*He said, "No, my colleague was looking at the office..."*

*I didn't even immediately realize who he was talking about. I looked at Oleg and thought: "I wonder how it is with solvency? Everything is clear with the former, but not so much with the latter..." He says: "No, no, this one is too big. It must be expensive, we don't need it."*

*So we started looking downward. Eventually he settled on the smallest one. As far as I remember, it was only about 18 square meters.*

*In 2-3 days they were already moving in. Of all the clients at the time, they were the most meticulous. Usually tenants looked through the agreement as they now look through the "rules of the license agreement" - that is, in passing. At best, they looked at the documents of the subtenant who leased the premises, that he was at least alive, could be seen and his passport details matched. And at Oleg's request, we pulled out the contract with the owner, even some additional papers that they would not be deceived. In general, the attitude of these people was as serious as possible.*

Soon Ilya and I had a slight conflict of interest. I thought we would work together, that is, plow together, invest money and make a profit. But my companion had other plans.

So we sat down in some fish restaurant, and Ilya (a terrific negotiator, by the way) said:

- Listen, let's just rent an office together, pay rent for it, and the money... ahem... well, as if to receive separately. You have your way, I have mine.

I say:

- So we won't be partners, right?

Ilya, who has always been a very soft negotiator, replied:

- Not exactly! We will still be partners. But we will just be a little more independent in our decision-making, in hiring, in personnel management, in strategy.

Anyway, he persuaded me to try a new format. Each of us started working with a separate client base, developing our own business model,

hiring employees, allocating a payroll, and so on. That is, it turned out to be a kind of collaboration - we work separately, but we share the costs of an accountant, office rent and electricity, like such good neighbors.

And yet, despite the strange form of partnership, things were going well. My client base was growing, the number of projects was increasing, it was necessary to expand the staff to delegate responsibilities. I had no time to swing.

One day I ran into a guy in the office corridor who was changing the floor covering - he was dragging the carpet back and forth along the corridor. This was future business superman Vladimir Sakovsky - now he is my reliable partner and executive director in all our business projects.

I stopped him and asked him how much he earned. Volodya earned about 900 dollars - not bad for those times, but obviously not the limit. At the same time, he performed the duties of the assistant director of the building, as you already know. That is, he dealt with organizational issues - from renting out offices to buying toilet paper, all at once.

In general, I urgently needed a sales manager, and "the guy with the carpeting", apparently, smart, why waste time? And I immediately offered him to go to work for me, promising to pay more. I said: "Give it all up, let's get down to business!"

I brought Vladimir to our office (which he also rented to us), showed him his workplace, computer and telephone. What else do you need to make money?

**Vladimir Sakovsky:**



*A month after I rented the office to Oleg and Ilya, my short-term contract was coming to an end. We had only agreed with the employer to rent out what was in the space.*

*I didn't know what I was going to do next yet. There was some business planned with the same business owner: he would take the next space and rent out the next space in installments too, and the next, and the next, and the next, and so on... but he would take a break before doing so. And while I was renting out the remaining offices, literally five of them, I was solving small issues with tenants. Someone is cold, someone is hot, someone is not enough light.*

*That's when Oleg offered me a job. About advertising agencies I at that time I knew only what was shown in movies and TV series: this is a place where strange young men with green hair and girls with model looks without end "come up with some creativity". And it has nothing to do with dull everyday life! So I accepted the offer without much thought - I thought it would be about the same here.*

*By the way, Oleg still tells this story: that he supposedly saw me when I was walking down the corridor with a carpet in my hands and when he heard his offer, he immediately dropped everything and ran after me like a faithful disciple after a prophet. In fact, I saw him almost every day anyway, as I did with all the other tenants. I was always there, solving all sorts of questions that Ilya and Oleg had: "How are the rates calculated? Is it realistic to do this or that in the office? Is it possible to make the Internet faster?" etc.*

*Some time after their arrival and sounded the offer of work, very tempting. But there were still doubts. Of course, my specialization included advertising and PR, but I doubted that it would help me.*

*I went to talk to my manager at the time, the director of a real estate company. He told me right away: "If you quit, I'll cut your salary, give you less money. But if you promise that you will stay and in two months you will go to the next project - on the contrary, you will get more". And he and I were almost the same age, a year or two apart at most. He was such a puny, puny spectacle-wearing man, because of which even tenants didn't always trust him. So I said: "Buddy, with that attitude, definitely not!"*

*As a result of an hour and a half of negotiations, we came to an agreement: if I rented all the remaining offices in two days, I would receive my salary in full. Apparently, I was lucky or I was very tense, but I fulfilled my obligations to my employer on the same day. And that was it - in a day or two I already knocked on Oleg's door not as a landlord, but as a potential employee.*

*On the first day, the myth about models and people with colorful hair was dispelled by itself. The office was mentally divided into two parts: Oleg had three desks and Ilya and his younger brother had the same number of desks. This is the environment in which my career in the advertising business began.*

*Oleg put some free newspapers in front of me: "Extra-M", "Center-Plus", "Work for You", took a ruler, a pencil and said: "Well, look, now we'll teach you how it counts and how to sell".*

*I learned that the entire strip is divided into forty-five equal parts. That in professional slang different sizes of advertising space are called "matchbox", "cigarette pack" and so on. Learned what you can do, what you can not and how to calculate on a calculator system of markups and discounts, consistently added and subtracted. After that he gave me*

*an Excel file, which contained about thirty or forty contacts - with them Oleg had previously dealt with, being an employee of "Ekstra" and when he worked for himself, in the home format of the agency. And he said, "Well, call me!"*

### **Time vs. money**

We ordered a website, added prices for placement in the newspapers Extra-M, Center-Plus, and in the magazines of the Delovoy Mir publishing house, and gave contextual advertising on the Internet leading to our resource. We did not have any clear business strategy, we only developed a system of interaction with clients.

It looked like this: when a customer comes to us with a request to advertise a product or service, our agency does not offer him placement in any publication or any other service right off the bat. First we study the company that is interested in promotion. More precisely, we look at what kind of goods/services and at what specific prices it sells. After this analysis, it immediately becomes clear how exactly we can be of maximum use to the client. This is how a commercial offer appears - that's what the customer receives.

Practice has shown that in 9 out of 10 cases, customers want to buy not that advertising that actually works for them, and that they like, that works for their neighbor. But the thing is, their potential customers are other people with other needs, and their "neighbor" has a different business.

And this tried-and-true system of ours was showing amazing sales statistics. Ten calls from potential customers brought us seven appointments and... seven sales. Five of them became our "regulars". In addition, it should be taken into account that almost all commercial

transactions we sold "in a complex", that is, the client bought from us not one advertising direction, but several at once, which reduces the risks of the client, and our profits multiplied. All in the plus.

Usually the customer bought 4-5 directions. With the minimum cost of placing an advertising block of 450 dollars, the total customer paid an average of 2200 dollars per transaction. People were attracted by the fact that, cooperating with us, they could immediately formalize placement on several sites, rather than calling separately to the managers of each newspaper, spending long hours. The cost of the service, in addition, included the preparation of the layout - that is, we drew the future advertisement ourselves. I did it personally, as well as mopping the floors in the office - at the first stage we did not allocate funds for designers, cleaners and much more. We did it ourselves, as they say.

In general, everyone was happy, and our turnover grew.

### **Vladimir Sakovsky:**

*So, I started calling around. Most of these contacts were small entrepreneurs. Some were selling acrylic bathtub inserts - for grandmothers, others were selling windows, doors, stretch ceilings. There was still a constant string of ads from real estate agencies looking for employees. They were looking for realtors, quite massively, so there were a lot of ads.*

*From the third or fourth day of my work came the first orders and payments. They were quite small, especially by today's standards. And there were few of them, compared to the list that Oleg gave me. Why? It's simple: these same people were constantly getting calls from other companies - young enthusiasts like me. So we literally fought for each*

*client, and on a monthly basis. Even if he has now made a placement through us, it does not mean that he will renew here as well.*

*Newspapers, to be honest, were not very good at that time. Up to the point that in some of them the editorial staff themselves called the ads under the guise of customers to create the illusion that advertising works. And it turns out that the calls are coming, but the real result - zero. Although there were times when the ads did start bringing in clients, but not immediately, but after the second or third prolongation.*

*If we talk in general, the newspapers of that time - a good advertising channel, known to all. At that time only people under the age of 35 were looking for information about the goods they were interested in on the Internet, and even then they did not always find it. Whereas the people who made important decisions in large companies were often much older. That is why free newspapers with advertisements in those years were really delivered to every house and entrance, their circulation at one time really reached 2-3 million copies. They were distributed, they were delivered to the entrances. And in principle, with a well-designed module and competently chosen positioning - for example, on a page with a TV program - it gave great results. Especially if the target audience of the product - older people who carefully study this very program. As a result, many entrepreneurs for two, three years were placed on the same place and could throw a tantrum if suddenly their ad was on another page.*

*Different things have happened, but it's good enough to learn from the press, that's a fact. Because the cost of a mistake here is not as big as if you lose a large advertising contract. And the amount of communication is large. At my managerial peak in the press, I generally believed that I cooperate with half of Moscow's commercial organizations. And even though I put the same spread in three newspapers, that spread*

*consisted of many advertisements, ranging in size from half a matchbox to an entire cigarette packet.*

In short, the work went on. The staff grew and the system was modernized. Back then, it was like this: a call came in, I picked up the phone, talked to people and identified their needs. Based on the results of the negotiations, I gave orders to the employees, and they, in turn, prepared a commercial proposal and issued invoices. And then I traveled to meetings with clients myself to personally conclude deals. We worked as a single organism, everyone knew their business, so the agency was actively developing and its authority was growing. That's what it means to have the right team! More than once and more than twice I was convinced of what wonderful people came to Medor and how much the success of the whole company depends on the talent of each employee. And how important it is for everyone to be in their place, doing the job that matches their psychotype, professional and communication skills.

**Alexei Galkin, a former employee of Medor, is the marketing director of the jewelry company at the time of writing:**

*I joined the company as a fourth-year university student. At that time, the agency had only existed for three months. I remember finding an advertisement in the newspaper "Work and Salary", in the section "Work for Students".*

*I was invited for an interview. I also expected to see a luxurious office with marble floors, girls of model appearance - everything like in the book "99 francs" by Frederick Begbeder. But what awaited me was a room with three desks, at which sat a short-cropped man in "grinders" and a holey T-shirt, who looked like a skinhead, and a senior student like me.*

*Anyway, these people turned out to be Oleg, the director of Medor, and Vladimir, the sales manager at the time.*

*I poke my head into this room and ask:*

*- Is this definitely an advertising agency?*

*They:*

*- Yes, yes, Alexei, come in.*

*They started to tell me something, and I was sitting there thinking: "It must be some kind of pyramid". In the sense that nothing was clear, but it was very interesting.*

*We talked, and I was hired as the second manager (even though I didn't know how to use a fax machine and didn't even know how to write business letters).*

*However, on the third day Oleg called me into the conference room, i.e. simply into the corridor, and said:*

*- Alexei, you know, you are not suitable for us, because you are very phlegmatic, and we do not need such people. We are looking for more, let's say, quick-witted guys.*

*I was very much hurt by his words - I never considered myself phlegmatic, some kind of "gray mouse"! And I answered Oleg:*

*- You know what. I'm not going anywhere.*

*He continued to stand his ground. He told me to pack my things, even started to push me. But I wasn't going to give up so easily!*

*At that time, my salary was about 600 dollars, not counting the percentage of deals. So I suggested that Oleg deduct 30 dollars from my salary every day until one of two things happened: either he would be*

*convinced that I was exactly what he needed, or I would be left with no money at all. That was the deal. A week or a week and a half before the end of my probationary period, one of my deals went off, surprising Oleg, Vladimir, and myself. That is how I earned money and stayed with the company.*

Yes, the team was growing, and the orders were getting bigger too. Over time, I began to limit myself to phone conversations - I didn't have time to travel around Moscow from meeting to meeting. Of course, because of this, the conversion rate dropped many times over, because it was fundamentally important for many customers to communicate with the performers in person. But nevertheless, the losses were not so great - I realized that my time was still worth more.

Now remembering the early era in the life of the company, I realize how funny and somewhat naive everything looked then. Well, judge for yourself. We would meet clients near a convenient subway station. I simply sat in the customer's car, within thirty to forty minutes told about advertising opportunities, the cost of incoming calls and their number from this or that advertising channel. And they would give me a cash payment for the advertising - no one even asked me for my passport.

Once again - as a rule, everyone was very satisfied with our cooperation. Only one out of ten left without making a deal - the rest stayed with us for a long time. To be fair, I would say that sometimes it happened that some newspaper was not delivered to all the addresses, not distributed to all the declared points. Or simply the layout was unsuccessful - and because of this advertising did not pay for itself. In this case, of course, the client left. Life can be unpredictable, and no one canceled force majeure - I admit it.



But the most interesting thing is that over time we have identified a key trend. If a client, let's say, buys six areas of advertising placement, and three of them work great, and the rest do not pay off as well as we would like, the company still stays with us. Hence the conclusion:

**The more diversification by types/directions of advertising at the start of cooperation, the higher the chances that the customer will get the expected result and you will be friends with him for a long time (because it is more likely that the customer will be satisfied).**

### **Sell to the client like you sell to yourself**

So, our company was gaining momentum. We were in even greater need of workers and "bright heads", so we developed a system for hiring new employees, thanks to which only the best of the best joined our staff. It is effective and simple: if a candidate made a good impression, then after a little training (no more than an hour) the applicant was offered to receive two incoming calls from real customers. The negotiations should end with a sale of our services - immediately and without a miss. What is especially important: that the potential manager sold not just one service, but the whole complex. If the candidate did not achieve a single sale as a result of the two calls, he or she did not pass the test.

**Alexei Galkin, a former employee of Medor, now marketing director of a jewelry company:**

*"In my time, I quickly memorized these 'rules of the game'. The main thing is to try to sell the client not individual services, but complex placements. Not just one direction, but several at once, in order to earn more money. Another rule is to gather as much information about the customer as possible. We have always tried to understand the client's*

*problems and how we can help him in each specific case. For example, if it made sense to buy additional services: leaflets, souvenirs, advertising in the press, we offered them.*

*We tried to make sure that the client came back to us, and more than once. We worked on loyalty so that our cooperation would last for a long time. We had no limitations, in terms of "We work with this client and this client we don't work with." We got involved in any "hustle". Even if it was very difficult, we still tried to do something. We didn't know a lot of things, but there was no fear - we just worked.*

*Back then, social networks were not very developed yet, we didn't know what Influencer marketing was at all - but we created accounts, posted reviews in groups... We had no idea how to do it properly, we had no experience of it at all. But still we spent our time to figure it out. Fearlessness is our specialty.*

### **Vladimir Sakovsky:**

*Lesha and I have always had a healthy competition. Two top sales managers cannot not compete at all! At the same time, we always shared presentation materials with each other. If one of us got a good deal with a client in a particular area (for example, real estate), he would give the other one a presentation that was guaranteed to sell our services to other clients in that segment. We compiled the materials ourselves, each of us had our own tricks. Someone put a lot of photos of cases in the presentation, someone - data on seven Excel sheets, so that the client could see the complexity of areas. Oleg set the general vector for us, and then each of us worked as we saw fit. There was no unified presentation of the agency, no set template.*

*Plus we used each other's cases in front of clients: "Do you know that we work with this and this?". And we could say on occasion that "most clients do it like this." This helped to attract the customer at the expense of expertise. He understood that we would sell him not just advertising, but a complex idea, complex placement, and so on.*

### **Alexei Galkin:**

*I was always drawn to sales on big budgets. I wanted to work with tens and even hundreds of millions - namely, with television advertising. This direction in the Medor agency was not very well developed at that time, so I continued my professional path in other companies. But, you know what?*

*It is unlikely that I would have landed a serious position in a strong company if it weren't for the skills I gained working at Medor. Big budgets, big clients, lots of "telco" - all of that came into my life. But with it came increased responsibility, which required my full commitment. And, coping with all the tasks, I always remembered Medor with a kind word, because it was there that I developed as a professional. For example, I learned how to sell properly. And when I found myself in another company, I quickly realized that this was a skill that would not be lost anywhere.*

*But if I did not know how to sell, i.e. to make persistent calls, to get on the phone, to get to the tops, to close in payment, I would not have been able to get the position of marketing director in a very large jewelry company. And that is exactly the job I have at the time of writing this book. So thanks to Oleg Krutko and, of course, to all my former colleagues at Medor, without you everything would have turned out differently!*

Some people leave after working for us and go on a free voyage. And some stay with us for a long time. One of those who successfully coped with the task of selling right at the interview and eventually became an old-timer in the company was Alexander Gladkov - as it turned out, an excellent salesman and a future "production hit man". He is one of those people on whose talent and diligence our agency is based.

**Alexander Gladkov, an employee of Medor since 2008. He started as an account manager and grew to business partner and project manager of Idea Advertising Agency (part of Medor Group of Companies):**

*I remember the date exactly: April 29, 2 days before the May holidays.*

*I then came to the position of sales manager. I was interested in working with incoming calls. I know how to communicate with a client who initially needs something from me. But when it is the other way around, it is not always easy to get through to a person.*

*Then Oleg Olegovich had an interesting structure for accepting people after an interview. He always promised to call back, but never called anyone, and, as it turned out later, just waited for people to call him. In principle, it makes sense - a sales manager should be able to be persistent.*

*And so it turned out in my case. I did not wait and called him myself three days later. I asked him what was going on, and he just threw a phrase: "Go to work!" So I did! He is still on the job.*

*If we talk about Oleg Krutko... I would say that he is lucky. Probably, this is a trait of a successful businessman - to catch a favorable moment, to pull the right string. His idea with the masks is an example of real flair (more about that episode in the next chapters). At the same time, he listens to the opinion of others. That is, the principle of "I'm the boss, you're a fool" - this is not about "Medor".*

*Oleg in any stressful situation, even if time is running out, all thoroughly studied, understand and only then make a decision. So I never doubt that his opinion is balanced.*

Yes, it was probably not without luck. Back then, our company was still "green", little known to anyone, the office was located in the middle of nowhere, but we always set high requirements for our employees. And we managed to find smart specialists! Plus, of course, the market itself favored us. Thanks to this, only the strongest specialists were hired.

But still, no matter how talented and efficient our managers were, we could not do without the right technology of working with clients. That's why the following rule was invented: **we don't sell to the client what he asks for.**

Sounds strange, doesn't it? Let me explain. Usually, when a company asks for advertising, the first thing we do is to find out the goal, the vision. And most often we hear in response something like *"I want a video, like the juice "My Family" (remember that?)*. That is, the customer usually chooses the advertising that he likes personally or his wife, mother-in-law, other "experts" whom he has heard. But often a person forgets all about the request of his target audience.

Since the client - quite often not a typical consumer of the product that produces, his point of view in this matter is not so important. The main thing is the quantity and quality of requests that will come to the customer after we launch an advertising campaign. That is why we always position our agency as professionals who will prepare such an advertising proposal that will provide the company with many applications.

**Vladimir Sakovsky:**

*It was really difficult to convince clients that they needed something different from what they were asking for in order to achieve the results they wanted. And even over the phone - the bulk of the negotiations took place remotely. First of all, and secondly, the age limit of our advertisers was often 40+, as you already know. So they would pick up the phone and hear the young voice of a nineteen-year-old boy talking about different placement formats. You can understand: the degree of trust in me was not very high, to put it mildly.*

*On top of that, we were calling thirty to forty clients in a day. If you think that's not very many, let me clarify that we had to talk to each of them three or four times. So, for example, I call a potential customer, find out the details, and name the final price. The client suddenly says that he needs to think about it - he saw the same offer somewhere, but 15 dollars cheaper. I urgently call the newspaper, haggle with them, ask to lower the price, again call the client with a new offer ... and so on in a circle. Then you still need to make sure that the ad came out on time, in the right section, be sure to call the client before renewal, to ask if he did not call someone from the competition, did not offer other conditions. Such is the eternal movement.*

Since then, of course, we have grown a lot. High-risk methods of advertising have been abandoned. But some things have remained the same: we teach our "recruits" to make each commercial proposal as if they were making a decision related to their own business. A good manager analyzes how our agency's price level compares to the competition and what quality of service we provide. It is important to put yourself in the client's shoes and before each transaction ask yourself: "If it was my business and I had only 1500 dollars in my account, where would I invest it? What quality of service would I want for that money?" And when you are able to take care of the customer the way you would like to be taken care of, customers will come back to you for your product or service, again and again.

### **Millions under the tree**

We didn't keep any financial records at that time. Money came in, we kept it in a bag or a nightstand. Can you imagine? The cash was just lying around by itself, we didn't even count it. Of course, you can't do that. But now it's clear, and in that rock'n'roll era you could just wave your hand: ah, we have money - and that's fine. And exactly how much is another matter.

New Year's Eve, December 31, 2008, eight o'clock in the evening, all employees are at work. We work as in a normal day. A client calls and asks for advertising their company in elevators across Russia. He needed an application, that is, printing on self-adhesive film. We began to discuss the details and calculated the cost of the deal - it turned out to be 1,860,000 dollars. The biggest order ever!

### **Vladimir Sakovsky:**

*From the very first month we had a special type of service: advertising in elevators, which for five years or more was one of the most marginal areas of the company, despite its simplicity.*

*However, the advertisers themselves are still a contingent. There were different people among them, but rarely when promising, conscious guys came to this position. Mostly they were reoriented promoters or newspaper distributors, and sometimes even just alcoholics who needed to urgently earn money for a hangover.*

*So, when we took this huge order - we realized that our small team simply can not cope. We need at least an office manager or project realizer, that is, a person who will be responsible for communicating with stickers, with distributors. And for printing the cards, and on each of them we marked a zone for each person who would go to put stickers or distribute promotional materials.*

*We also realized that if for micro-projects on five hundred, a thousand elevators we had enough three or four stickers, then for a campaign where we paste 60 or 80 thousand elevators throughout Moscow, we need a whole guard. And a separate person who would do nothing but print maps for it.*

*As a result, we took everything at once: a bigger office, several new managers, and a secretary (aka the head of distribution) to do all these things: printing maps, communicating with stickers. A lot of strangers started coming to the office for stickers. We were excited: here it is, a big business, a long-awaited powerful start!*

*We began to work at double speed: we served this large client plus other small and medium-sized clients in parallel. In addition, our own*



*incoming advertising was constantly working - we did not turn it off, for fear of missing some other large order.*

*Things were constantly increasing, we couldn't cope and hired new employees. That's how we started to grow horizontally. There were a lot of orders, but we spent most of our time on this, the biggest one, which, by the way, caused us a lot of difficulties, especially in the regions. When local contractors heard that Moscow was calling, the price immediately became three times higher than it should have been. And we had to agree, because sometimes there were simply no other options, i.e. other organizations doing the same thing. In some cities we printed and glued more expensive than in the capital! There were cases when our regional partners had not tried to glue advertising in elevators before. That is, they called with trivial questions: how to glue - flat or on the side? How to open the elevator?*

*By the way, yes: and how to open it? You might be wondering?*

*In Moscow, we cooperated with two large companies that distributed free newspapers in millions of copies. They were the ones who bought the door codes from the letter carriers. Although in some neighborhoods we even had master keys - a "magic pill" that fits either all the entrances in the neighborhood or the doors of a certain manufacturer. In addition, we then acquired a whole Excel file, thousands of thirty lines, where the codes of entrances were collected. Although some distributors simply waited at the entrance, when the resident came out, or penetrated in other clever ways.*

*There were some guys with years of experience among these peddlers - they could spread newspapers through the boxes faster than cowboys in westerns could draw revolvers and shoot. I saw it with my own*

*eyes when I delivered some of the distributors to the place and at the same time supervised how they worked. The daily income of such skillful workers could reach 150 dollars on a large order. And others who took the job, but did not know anything and did not want to learn, received 10 dollars or so. Plus, there was a lot of turnover - but not only because of this. Someone, say, was detained by the police, someone was beaten by a concierge or a representative of the HOA. And there were brazen people who just threw out the circulation, so as not to strain, and then came and demanded money, and even lied that the report was left in other jeans, got with them in the washing machine, got wet, etc. In general, if you work with a large number of people, the probability of a hiring mistake increases several times. Because in any segment of professional and decent people, as practice shows, less than half.*

*I anticipate a new question: how do you check whether a person has put up stickers or thrown them in the trash?*

*We have introduced the rule of one hundred percent photo-reporting. He did it - he took it off, and then showed us the photos. Simple? In those years, not really. The cameras in cell phones were so bad back then, sometimes you couldn't understand what was in the photo at all. So we equipped the peddlers with cameras, if they didn't have their own, and scanned their passports. But this did not stop some people: they simply threw away the print run and went to a pawnshop with the camera....*

*In short, there was a risk. There is always a risk, you can't do your job without it. We just learned to put possible financial losses into the cost of subsequent work. That's the secret!*

Yes, we then stopped the advertising that was providing new clients in order not to be distracted by other clients and to fulfill a large order. We

worked out a plan: our employees would travel to the largest cities where the advertising campaign was to be implemented, to personally supervise the pasting. We refused to place in small towns almost immediately - it was very time-consuming, so we were afraid of letting the client down.

So, each of our employees had seven cities, sounds realizable, although not easy. We continue to count: printing of advertising materials, their logistics, payment to workers who were to be engaged in pasting, the cost of travel for our team. We judiciously assessed our forces and realized that we would not be able to fulfill the plan set by the client in full, there would not be enough capacity.

So I honestly told the customer: "I'm sorry, the amount of the deal is certainly attractive, but we can't afford you yet. We will only be able to realize half of it. Do you think that executors often refuse such large deals? I'm sure they don't, it's just that we were honest, as it is, so it is. I think this is what bought the client and he agreed to our terms.

So, after a month of negotiations, we issued a new invoice - for about 800 000 dollars, the net profit from the project came to 430 000 dollars. The amount is still weighty, including by today's standards. And imagine, it evaporated in three months. Do you think I bought myself anything with that money - maybe a Porsche, or a Rolex watch? No! I can't tell you exactly where it went, but one thing is clear: it went into business. We didn't do any accounting, remember? We were given some invoices, we paid them without even checking. But, again, we gained valuable experience, and Medor made a new rule: **"Do not rashly take on deals that we know we cannot realize, no matter how much gold the customers offer"**. And on top of that, yes, start controlling finances clearly.

## **Goodbye, money**

By 2008, the Idea brand, organized by myself and Ilya Akhmedov, united three legal entities. They were Medor LLC (yes, I still used my favorite name), Idea (Ilya was the owner), and RPK ("Advertising and Production Company" registered to me).

As time went on, Ilya emphasized development. He said that we needed space for growth, more air. The staff was still growing rapidly: secretaries, couriers, managers of all stripes. So we moved to a new, larger office every one and a half to two months. At first within the Voykovskaya station - we moved from an 18-meter room to a 25-meter one, and from it to a 50-meter one. We didn't have time to settle in yet - soon we were already located on 90 meters.

**Maxim Gavriilyuk, an employee of Medor in 2008-2009, is currently co-founder and CEO of Lighthouse ([www.donplafon.ru](http://www.donplafon.ru)), an online store of lighting products:**

*I joined the company during that very period. Through HeadHunter, I think. I went through a standard interview and worked as an advertising sales manager.*

*Initially I had an interview with an HR specialist, and he assigned me to the sales department for incoming clients with Vladimir Sakovsky. The latter was on vacation, and by the time he returned I had already been working in his department for a week. We got to know each other, talked, and... a month later he admitted that he would not have taken me to his department if he had received me personally at that time!*

*That's funny. As is the fact that we ended up becoming friends and still keep in touch years later. Even now that I no longer work at Medor.*

*For the first three months, in addition to a bonus for deals, I was paid a minimum salary - everyone understood that I was a new person, without experience and established clients. Although it was not difficult to find them, as I worked in the department on incoming appeals.*

*Of course, I had help. Mostly from Vladimir, my direct supervisor. Oleg could also give advice if I needed it. In general, people in the agency perceived each other as members of the same team. Did someone need help? We are colleagues - we are doing the same thing.*

*I have worked at Medor for about a year, but I am still in touch with Oleg and the rest of my former colleagues. I also participated a little in the book about the company.*

*Now, when the book is being written, I am co-founder and head of the Lighthouse company, and we have a website called DonPlafon.ru. We sell decorative lighting: chandeliers, lamps, etc. Our main segment is the B2C market. We partially work on the B2B market: with designers, the completion of objects, and so on.*

*The second co-founder of the company is Andrei Sidorov. We have been friends since high school, and during our lives we have occasionally crossed paths at work, including at Medor. Later we met people who owned a network of retail stores of lighting fixtures, and together with them began to sell these products. We focused on selling goods in offline outlets, and by that time we had managed to open four stores, while also developing the online direction.*

*This went on until my partners and I stopped understanding each other and eventually came up with the idea of splitting up. First, Andrei and I took over the online store, then we gave up selling goods from China,*

*and finally we handed over the offline stores to our partners, giving up our own offline outlets, which coincided with the start of the pandemic.*

*I note that working in online retail these days is different from what it was like ten years ago, when we were just starting out. Back then, all you needed was desire, internet skills and trading skills. Now you **need strong expertise in the product category where you want to develop**. Competition on the Internet is very high, and the mere fact of having an online store does not guarantee sales. Without a good base in the product category to do it is difficult! By the way, I can boast that we are more competent in the field of e-commerce than Medor, because we are closely involved in this area. But in general, we still have a lot to learn from our former colleagues in the field of branding.*

*I am very grateful to the experience of working at Medor, where I learned communication and business skills, which in the future allowed me to develop in my own way. Looking at Oleg Olegovich and my colleagues, I learned to take risks, to try new niches, to test quickly and try things out immediately. Let others procrastinate and nurture different ideas for half a year - you just have to take it and do it, with minimal cost and effort. When the concept of MVP ("minimum viable product", a prototype that is shown to investors) did not yet exist on the Russian market, Oleg Olegovich was already practicing this approach.*

*So if you have decided on the niche in which you want to develop, feel free to recruit a team and invest money and time.*

So, finally, we rented a 150-meter office at the Akademicheskaya metro station, which we thought was huge (in terms of rent, among other things). It was there that the economic crisis of 2008-2009 caught up with us.

Let's go back to 2007, when Ilya brought a client to Moscow Pledge Bank, yes - the very same one. They immediately set a condition: "You guys are young, the firm is unknown, open a current account with our bank, and we will order an advertising campaign from you in return". That is, the bank actually paid us for advertising, but we did not see this money in person. They transferred the payment to our account, which was in their bank. Clever, huh?

Of course, we agreed - you can't miss out on a big customer. We didn't know what risk mitigation was, and we didn't know that capital should be spread over several banks. What to take from people who had recently kept all the company's profits in cash in the office? Soon after we opened an account there, things went badly for Moscow Pledge Bank, and in early 2009 the Central Bank revoked its license.

I wouldn't wish anyone to find themselves in a similar situation. You have to pay for office rent and salaries for employees. And the funds for business expenses and paying bills were frozen in the bank that went bankrupt. We still had some cash in the office only because many clients at the time were paying in cash. But the reserves were melting like snow in late March.

One day I received a call from an unknown number from someone offering to take our money out of the bank. But, of course, not for nothing - he asked for 16% of the amount stored there. I (as a man of principle) refused. Why should we give our hard-earned money to some tricksters? Some time later they called again and again... They offered a deal, but for 18% of the amount, then for 21%, but I did not fall for this "trick". Honestly, now I would agree even to a much higher percentage of commission, because I know how this story ended. But then I sincerely believed in justice and every day I went to the bank branch and withdrew \$3000 from

three checkbooks. Applications had to be rewritten ten times - the comma was wrong, the signature was not similar. I spent three hours in line, in the air and in the pressure - poor people like us were trying to withdraw at least 99,990 rubles. This was the amount of money the bank gave out per legal entity per working day.

All in all, I managed to get only 30,000 dollars out of the bank, that's all. And the rest of the money - about a million and a half rubles of my investment and another million from Ilya - we "gave" to bankrupt former clients. Yes, we once went to a meeting of the creditors of the Moscow Pledge Bank. The huge hall was packed with tons of people. The main creditor was Mosoblgaz, which had hundreds of millions of dollars outstanding, and our votes with claims for less than 100,000 dollars carried no weight. So we decided not to go to any more meetings, it was all useless.

To be fair, after seven or eight years, we still got a little over 2000 dollars out of our missing money, about 2% of the lost amount. But that is definitely the end of it.

### **Family or business?**

"If you are the head of a fast-growing business, changing office space like gloves, hiring new employees, respectively, then you make a lot of money," you will say. And you'd be wrong. At that time, my wife and I with a small child still lived in a rented one-room apartment. I rode my bicycle to work, it took me an hour and a half one way.

Like any ordinary family at that time, we kept our money in the closet, on the top shelf. As soon as I found out that the bank, where all the funds for business development were kept, had lost its license, I rushed to withdraw everything I had set aside to buy an apartment. Something



like 60,000 dollars - it was kept in another bank. I moved that money to a more secure place than a bank: a shelf in my clothes closet. From there I slowly took money for business development, until a couple of months later I found out that there was only 150 bucks left!

This last money I also invested in the business - every cent. My spouse was stressing out, and I carried on believing that the situation was temporary and was about to be resolved. However, at times, I was also uncomfortable.

In fact, the business, which we had built so hard, investing time, money and effort in it, was collapsing before our eyes. It looked like we were going to have to close the business. Again...

Unwilling to put up with it, I continued to play it safe, and didn't even reduce operating costs. We didn't lay off a single employee, which is fifteen of mine and ten more of Ilya's. We managed to keep the office, too. We - arrogant young men without any economic education - just didn't realize that in the current situation we needed to urgently cut costs.

At some point we were lucky: we received payment for the projects from Euroset and Beeline, our biggest clients at the time. He who is lucky is lucky!

We got out.

But then something equally serious began....

## **Chapter 2: The Best of the Best**

## **Rock'n'roll hurts!**

So, to summarize - it started out like everyone else's. While I was working alone:

- calling clients on my own;
- meeting with them on my own;
- traveling to publications on my own to submit ads;

And so on...

It seems like you're doing everything yourself, but on the other hand, you're only responsible for yourself. Over time, there were so many clients that I couldn't cope on my own - I started hiring employees. You already know that. But what you have yet to realize - when you run a business in such a service area as advertising sales, a lot of the result is tied to the team. How exactly they communicate with customers, how quickly they handle orders, etc. All of this affects the efficiency of the company. As a manager, I had a new serious task at that moment - to build relationships in the team in order to get results together (in the form of many satisfied customers and earned money).

However, I did not know how to manage people properly at that time. No wonder - I only had experience of working in Extra-M, but I certainly did not want to repeat their policy of relations with the team. I had to find my own way, and that's a separate song.

The company was rapidly expanding, moving to new offices. And during these moves (of which there were many) the smoke was billowing. We packed all the luggage ourselves, loaded and, on the contrary, when we got to a new place, unloaded and unpacked our belongings. We disassembled and assembled tables, pulled wires, crimped cables (while

searching for instructions on the Internet). And when it was necessary to unload a multi-ton truck with a large circulation of leaflets and booklets, no one stayed aside - managers, designers, general director. Got a free pair of hands? Get down to business!

I will not get tired of praising our team. The people back then were all like a selection: hard-working, not afraid of any work - and they still are. As they used to say in the old days, the party said: "We must!" - The Komsomol answered: "Yes!" Only those companies succeed where there is not a single random, i.e. lazy and unscrupulous, person. "Medor" is and has always been proud of its employees!

**Evgeny Vorobyev, a former employee of "Medor", now a successful entrepreneur:**

*I remember this company as young and daring. We were not afraid to take on any projects, even seemingly impossible ones, if we saw real financial profit in them. Thanks to this, the company probably grew because there was no fear. We were not afraid to take risks!*

*Like many agency employees, I started out as a sales manager and left when I was head of the media advertising department. I got to Medor through HeadHunter. Nothing unusual: I found a vacancy, responded, called, and came for an interview. After that, my journey in the company began. If memory serves me correctly, I was only the fourth employee in the agency at the time, or something like that.*

*I had experience in advertising. But it was my work at Medor that gave me all the knowledge of sales. Oleg showed me exactly how all the processes take place in person, and the training took place while I was working. That is, no theory - straight into battle.*

*My salary consisted entirely of a percentage of sales. Of course, at the first stage it came out small, because I had no established client base. But it was honest. I realized that everything depended only on me.*

*This is relevant even now. I can advise all new recruits to the Medor agency to work and study. Here are two elements of success that will help you grow professionally and earn more in this company. Constantly learning new things and doing the work you have to do on time. That's the whole secret!*

But not everything was as rosy with our team as it might seem from the outside, despite all the talents of its members.

Moves, as a rule, stretched for a whole day, or even several. And as it happened, after settling in at a new place, we set the table - and it was not without alcohol.

There is an important nuance here. When the company was small, joint meetings with the team brought us closer together. We all kind of bonded even more at such meals - we became almost relatives, you know? Is it necessary to write separately that since the parties gave only positive emotions, they became more and more ...

### **Vladimir Sakovsky:**

*The collective grew to six people - and the partying began. Everyone was young, including the general manager. And if we successfully completed a really big project or just moved into a new office, why not celebrate it all?*

*It started with going out after work to eat shawarma and drink beer, and we often worked late, until eight or nine in the evening. Then we*

*started to organize small holidays, especially in the summer - we took the table outside, celebrated the birthdays of our employees and their children, professional dates or even just Friday. The more people we had, the more we had fun. We had a tradition of going paintballing on New Year's Eve and so on.*

*When we became more than twenty people and the team had to be divided into departments, a certain invisible line was passed. And all these friendly corporate parties began to have negative consequences.*

*As it turned out, there are people who should not drink alcohol at all. A small dose was enough for them to go off the brakes and start turning paintball into some kind of Counter-Strike, shooting without rules. Some of them didn't go to work for a week or two - they were ashamed of what they had done.*

*But it was not as bad as drunken fights in the department (occasionally, but it happened). For example, at a party, an employee of one of them accidentally touched a person from the other - and immediately there was a wall-to-wall fight. And there were other times when people simply crossed all the boundaries. Someone fell asleep right in the toilet, and someone heard that in the neighboring office hidden cognac, and broke the locked door. That's property damage!*

*When everything was possible and everything was encouraged, people were constantly trying other shores: can I drink more? Can we do it in the office? Can we smoke in the office? And so on - until every possible prohibition was violated. Plus, the line between supervisor and subordinate is blurred a bit. When you have been drinking with the director for two days in a row, you can say to him: "Well, we had such a good time*

*yesterday, why are you bothering me with this report?" That's not the case, of course.*

**Elizaveta Spiridonova, financial manager, financial analyst, employee of Medor since 2011:**

*I remember that door story! We had a birthday party for one of our employees, and he was actually given a cognac, an expensive one at that. He left it in our office at first, but then he took it home. And another colleague, who now no longer works with us, did not know about it! He was such a big guy, not pumped up, just big.*

*So, I come in the morning, I pull the door, and it falls right on top of me. Luckily, I got off with a minor scare. Then the guards made fun of me: "Why did you break the door?" And I immediately realized that everything happened at the corporate party - because of drinking...*

*I don't miss those times at all, by the way. Yes, in my twenties I wanted to go out and party. But now there are other interests. I personally went into powerlifting. I became a master of sports in powerlifting, I pull 115 kg! Maybe that's why my brains think better - physical activity has a noticeably better effect on results than alcohol.*

I completely agree with Elizabeth. Those times are not very nostalgic for me either. And as for "brains", our financial analyst has always been very good at it. Of course, Elizabeth's professionalism has only grown over the years: perhaps sports really helped, but we should not forget about the experience gained.

So, again about those feasts. At first, I went along with the sales managers (who were usually the main "mass-entertainers"), because they

are the "breadwinners" who bring money to the company. At first I put up with drunkenness, romances and love triangles on this basis - it seems to be going well. But one day it became clear that the situation with the rock'n'roll style of work was getting out of control.

That's why I myself became one of the first to stop attending such parties - I set an example for the team. And although the parties gradually stopped, the echoes of those bacchanalia were still heard within the walls of Medor Agency for a long time - the habits of the "old school" employees had to be burned out with a hot iron.

### **Vladimir Sakovsky:**

*How did these endless celebrations end? Vladimir Sakovsky:  
Not immediately.*

*At first, the owner of the company himself began to be less present and drink less, but this did not have much effect. Often people, on the contrary, relaxed even more, because "big brother" is not watching.*

*Then, when the employees became about thirty, instead of global drinking began small, by departments and offices. But soon some of the most active drinkers were fired. Somehow it so happened that the main instigators of drunkenness were not very clean in professional terms: someone stole something, stole a client from a colleague, received a kickback, or the discipline was lax, there were low sales. Therefore, the core, so to speak, "drinkers" were partially disbanded, but someone, however, was persuaded to get coded.*

*And soon all this party life itself came to naught. To see an unfinished bottle of whisky standing right on your desk at work has long been unrealistic.*

### **It's time to cheer up**

However, problems with alcohol seemed child's play against the background of what happened in 2014, when the United States imposed the first major sanctions on Russia. This happened after the annexation of Crimea, as you may remember - America was then supported by the EU countries. Overnight, Russia ceased to be an investment-attractive region for foreign businessmen. And what is more, our country began to look like an aggressor to Western businessmen because of its foreign policy. Many foreign companies felt that the smell of fry, and immediately withdrew their budgets from the advertising market.

In other words, the number of advertising agencies remained the same, but there was much less money on the market. The outflow of Western capital as a whole caused a crisis in our country - stopped building factories, curtailed niches that depend on investments of Western investors ... So it is not only the advertising industry was in the ass (pardon the frankness). But we were the first - in any crisis, many companies in principle reduce their budget for promotion. It's not a matter of being alive, as they say.

At that time, a saving idea appeared - to hire an executive director. It looked reasonable - it was necessary to share your functionality with an intelligent specialist who would help not only to keep the business afloat, but also (why not?) to bring it to a higher level.



I appointed Olga Demidova to the position, and she started developing the company.

Olga is one of the best managers I have ever seen. In addition to being a great mom and an amazing wife. The team was crazy about her, Olga rallied her department around the principles of respect and mutual support. All in all, she was the best candidate at the time.

**Olga Demidova, Executive Director of Medor from 2007-2018, is currently raising three children and working as a marketing director:**

*"I was invited to Medor through HeadHunter. More precisely, the agency was still called Idea at the time. I was interviewed by Oleg Krutko and Ilya Akhmedov.*

*Initially, no one took me seriously, as I looked twenty in my twenty-five years. I was given a competitive environment: they hired other managers and literally pitted us against each other. But I managed to convince the management quite quickly that this approach had a negative impact on the performance of the division I was managing.*

*In general, it was difficult to join a structure with two completely different managers, each of whom had their own goals, opinions, and desires. But I managed to do it, as you can see now. I was engaged in self-development in different directions, and the company gave me such an opportunity. It is important for me, I can't work in routine.*

*I liked the Medor team. After all, as you know, the best attract the best! When people believe in you, you can teach them, guide them, help them, support them. As a result, you become an authority, an example, a leader, a person with whom they feel comfortable working. You inspire them, and that gets results.*

*I was able to work effectively at a high position and still have time to take care of my family. The secret is simple: the most important thing is self-organization. On time work and clearly defined tasks help to achieve the desired result.*

But at some point something went wrong. I believe that I made a mistake in giving Olga motivation in the form of a small salary and a percentage of the incremental margin from transactions (rather than net profit).

Olga, in turn, hired technical executives and managers who were supposed to develop each of their own areas. However, in practice, this new system turned out to be unviable - turnover was growing, but net profit was falling. In general, at the end of 2014 we increased our staff by 50% and at the same time went into a concrete minus in terms of money - these are the results for 12 months. The losses then amounted to almost \$500,000.

By and large, it was my fault. Olga did what she could for the good of the company, but my management decisions ruined everything. Although I worked like Papa Carlo all year long just to keep the company from closing down. I allocated myself a small salary and reinvested a serious part of the turnover into the business. But for some reason there was always not enough money, I had to invest another sum in the company again and again - and this against the background of the fact that the costs of office fees, payroll and everything else were increasing almost every month!

When I saw the figures for the closing of the financial year, it was like a boot to me in general. I'd had a vague sense for a long time that

something was clearly going wrong. It manifested itself in the fact that I had stopped feeling interested in my business, and it, in turn, had stopped bringing me both income and drive. And when I saw the exact numbers, I was stunned.

Yes, the revenue is higher, the margin is higher, but there was no income as such. Yeah, we recruited people, bought them equipment and everything. And in the end they gave so much that the profit from the orders was eaten up by the funds for the provision of these projects themselves.

It was necessary to urgently develop and take anti-crisis measures - it was about the banal survival of the agency. The salary fund had to be significantly reduced at once. At meetings, looking people in the eye, I told them that I had to temporarily reduce their salaries by 30%, asking them to be patient and to get into the situation.

We also reviewed the number of personnel. We manually sorted out who is actually responsible for what and what the results of everyone's work are. We kept the best and gave the rest recommendations for new employers.

I agree that these are quite tough measures. But once again, we did not expel any strong specialists, we managed to retain the backbone. Now I remember that at that time I came across some business article on the Internet about the fact that the number of office clerks is growing regardless of the company's profit. That is, the apparatus increases by 10-15% every year - and it makes no difference what the business results are. Perhaps I agree with the author of that article, as I have observed a similar effect myself.

So, in a certain sense, the situation even, one might say, benefited - sometimes it is worth it to "drop a little ballast". Those who came to the office to sit quietly for eight hours reading a book went home. And those who produced results stayed and succeeded. I am proud that there are still people in the team who went through that crisis with me then (and all the others - too).

I admit that at that time I was terribly depressed. I thought: "Why do I even need this business? It brings nothing, only losses". Usually it was like this - I earn considerably more than I spend, plus I always managed to put something else aside. Maybe someone will say that I don't know how to spend money (remember - all those Rolexes and Bentley's are not for me?), but I know for sure that I like to earn it.

And now yours truly began to have doubts - I even seriously considered selling the business. My mind was spinning: "What price am I prepared to part with my business for?" The figures changed one after another: first 500,000 dollars, then 250,000, then it came to 100,000. In short, at the peak of the crisis, I was ready to say goodbye to the agency for \$50,000. At that moment people appeared who offered such a sum for my business.

It seemed: Goodbye, "Medor"?

### **And hello again**

I think you can guess that if we had sold the agency then, this book would not have seen the light of day.

Speaking of literature! At the time, I was impressed by Tony Shay's "Delivering Happiness. From Zero to Billion." He wrote about his entrepreneurial journey - the author founded Zappos (to sell shoes online),

which was bought by Amazon a decade later for a billion dollars. The model looked appealing - maybe it's easier for me to start a retail company too, just to buy and just sell a quality product?

Providing services makes businesses dependent on people. Working with goods seemed more reliable - everyone buys food, clothes, gadgets, etc. Did we choose the wrong direction from the beginning?

Like hell we did! Now I can confidently say that I was very lucky that the offer to buy my business never came to a deal. At some point I gave up and started to save my business - I had to revitalize the company.

My observation is that over time, we all get a little more relaxed at work. There is a certain degradation. For example, a valuable specialist is working, he is passionate about his work, he likes the tasks he solves. But he has a child - one, then the second. He no longer shows as much diligence and enthusiasm at work as before - family matters take away energy. The man asks to hire an assistant, to shift some of the work to him.

Then he needs another assistant. And at some point it turns out that for this valuable specialist three assistants are already working, which, although they fulfill the tasks, but, of course, worse than he would have done himself in the best of times. And he just sits in his place and plays solitaire.

This approach could not be tolerated any longer. When a difficult period began in our company, we began to analyze and count closely - to look under a magnifying glass at what was happening in each area of our activities.

Let's say that in one direction per month we closed deals for 1500 dollars of conditional profit. But salary expenses amounted to 4500

dollars! I say to the head of the direction: "Buddy, look, the profit is only one and a half thousand, but the cost of production is three times more. This is not how business is done!" Then the man himself sees everything and offers to give up assistants - he promises that all the work he delegated, will do himself. He remains on a salary of 1500 dollars, the direction brings profit - the same 1500, therefore, in the minus we do not go, the debt does not accumulate. That's the minimum. And then go ahead - act in the plus! In the next month, the profit already grows to 4500 dollars, and the cost of production remains at the level of 1500 dollars.

**Mikhail Pavlov, a former employee of Medor, is an entrepreneur and SEO in the GLOBAL MARKETING GROUP, a Medor franchise holder in St. Petersburg:**

*"When I talk about Medor, I always note that there is a traditionally developed culture of high bonuses, of working for a percentage. Accordingly, you can earn unlimited money. I think this creates an excellent school of survival. This is especially effective in crises, of which there are many in business. In such an environment, strong leaders are born, tops who earn 10,000 dollars or more. And some become owners of businesses, create their own projects...."*

*The other side of the coin is that when managers are fired, often new client managers fail to build similar relationships with customers, and the latter leave, which means that a manager's salary can easily drop by 2,000-3,000 dollars simply by the fact of firing one of the specialists. I have been in this situation many times, I have learned many good lessons and now, when I am an entrepreneur myself, I try to avoid such situations.*

*At the same time, I fully agree with Oleg's policy: that we cannot buy everyone, make managers our slaves and bind clients to us on some rigid*

*contracts. The market is free, managers and clients are free too. I believe that man was created to live in a world where he can work with any clients, in any countries, and not to fixate on one market or another. Crises are temporary, but relationships with people are forever.*

Of course, the schemes of work described here are a bit simplified, purely for the book. But in general, it was just the way it was - a lot of work for all employees and every penny counts. This gave us the opportunity to determine the break-even point in order to take timely action and steer the company away from the dangerous line.

### **Hey, accountant, throw out the accounts!**

I will never tire of repeating that the most important thing is people. No matter how hard times come, if you have a reliable team around you, everything will work out. The opposite is also true - when you are the only one trying to solve problems, you can't count on serious results. That is why our doors have always been, are and will be open for talented professionals who are looking for opportunities to realize their potential.

**Andrey Sidorov, an employee of Medor from 2009 to 2010, is currently an executive director at Lighthouse ([www.donplafon.ru](http://www.donplafon.ru)), an online lighting retailer:**

*"In 2009, my friend Maxim Gavriilyuk somehow ended up at Medor. I was looking for a job at the time, and he suggested that I try my hand at sales. He recommended my candidacy to an HR specialist, I came for an interview, and I seemed to like him more or less. I was told, "Let's give it a try."*

*The agency at that time seemed to me to be quite good, well formed, not a small one. It occupied three floors, and they put me on the third floor. We had a separate spacious office. The atmosphere in the team and in the company as a whole was more than favorable to professional development and making money.*

*I liked the fact that my colleagues were young and interesting, trying to achieve something. A young team, focused on results. Everyone wanted to earn money, to prove themselves somehow, and they tried to do their best in their skills. Team building at Medor has always been at the highest level. I remember when one of the managers sold a large project and we all went to celebrate this event with a paintball game. We had a great time!*

*I worked at Medor for a short time - about a year or maybe a little less. I was an ordinary manager, my duties included cold calls. I can't say it was my thing. But I had good relations with the team, I still communicate and am friends with many of my former colleagues, including Oleg Krutko and Vladimir Sakovsky.*

*It was a great stage in my life, a necessary one! Without the experience I gained at Medor, I probably would have hit a lot of bumps in the road at my new place of work. Also, as I wrote, I made acquaintances and friends with whom I was able to build long-term relationships. It was an important stage of development!*

*By the way, now Maxim Gavriilyuk and I, with whom we have been friends for more than thirty years, run a joint business - an online hypermarket of lighting products called DonPlafon. Maxim told us more about our project in the previous chapter.*



One of the things that gives me particular joy in working on this book is the fact that we are indeed still in touch with many of our former employees. No one has burned bridges, and we have all carried warm relations through the years. The human approach and the desire to help each other have always been with us from the very beginning. That crisis was passed by a young, united team, focused on results. Although some of our former colleagues saw the youth of the team not as a virtue, but just the opposite. Well, this point of view has a right to exist. I pass the floor to Ivan Deyanov, who will tell us more about it.

**Ivan Deyanov, an employee of Medor in 2007-2009, is currently the founder and general director of TopDogFitness fitness and rehabilitation center for dogs (<http://topdogfit.ru/>):**

*I have an advertising degree. And also practice and practice again - a lot of work in different roles in advertising: television, newspapers, agencies. Then I came to Medor, because I had both experience and a client base that was quite large.*

*Even then, the agency tried to keep up with the times. The company's goal from the beginning was to introduce new technologies, make exclusive offers with their help and ride it out. That's when I realized that you can make a lot of money on exclusivity.*

*And we had a strong, well-coordinated team. Of all those who worked in our fourth department, there were a couple of people with a well-developed advertising scheme. With its help it was possible to fulfill the monthly norm of orders, even if nothing much is sold.*

*In general, it was interesting to work at Medor. Oleg Krutko always organized briefings and master classes. Every Monday morning began*

*with a discussion of the sales strategy, which was invigorating and set me up for work.*

*What else I liked about the agency was that managers did not compete with each other. There was no point in that, because no one was winning anything from each other, no one was taking away a piece of the pie. On the contrary, people interacted, helped to develop the corporate spirit, which was supported by all sorts of events. I still have photos from one of the corporate events: we played poker dressed up in the Mafia style. I think it was a birthday party for Medor itself.*

*But not everything was so smooth. I lived in Dolgoprudny and spent two hours just to get to the office and back, although this is, of course, a problem not directly related to working in the agency.*

*But the biggest disadvantage, in my opinion, was the infantilism that was in the air. It manifested itself first of all in "hammering" on some working moments. That's right: a large young team. People could sit around, for example, playing Counter-Strike in the evenings. If you do non-work things during working hours and your bosses give you that kind of relaxation, it's liberating, it's relaxing. At the moment I don't let myself do that.*

*By the way, I have my own business now. I am the founder and general director of the TopDogFitness fitness center for dogs, as well as a rehabilitation center for dogs - one of the top ones in Moscow and the Moscow region. Here it is, the very exclusive I mentioned. A hobby that grew into a profession. I even received a second education on purpose, cynological. Now I am trying to develop further in this sphere.*

*I worked at Medor for a year and a half or two years, something like that. I am still in touch with them, I order goods and services from the*

*agency to promote my own business. I keep in touch with former colleagues from our department. It's cool when you had such an interesting company in your life, where you could try everything at once and participate in the organization of all processes. I didn't just sit at a computer, I was engaged in full-fledged managerial activity - I was literally moving around a lot. I had to expend a lot of energy, but I gained a tremendous amount of experience.*

I agree, youth is not only energy over the top, but also some carelessness at times. However, it passes with the years.

Over time, we have noticed a correlation between the speed of business development and the average age of the team. In their twenties, they were working like hell - from morning till night, burning with enthusiasm. And when the age approached forty, people relaxed a little. Yes, many people want to leave early on Friday, go to the dacha for the weekend, be out of reach for work issues after eight o'clock in the evening and on holidays. I can understand them all, it's normal.

Anyway, the focus of priorities has shifted over the years. Now I'm sure it's right to recruit a young team to grow the business. But, of course, older, experienced professionals should not be excluded from the field of vision - you can learn a lot from them. Still, youth is youth.

Apparently, then it (or rather, the energy it gives us) and infused us with the strength to pass all the tests. The troubled times, by the way, affected not only the reduction in the number of employees and their salaries. For example, if earlier paper cups for coffee were in abundance in our office, then during the difficult period we had to give up even them. Some employees began to resent it - they did not like the fact that they had been "deprived" and their usual benefits had been cut back.

This, by the way, is about the fact that line staff in general, except for a few people, usually do not think about the amounts that make up the operating costs of the company. The manager assumes that he has, say, contracted with a client for \$5,000, his salary is \$1,500, so the remaining \$3,500 is left to the company. And it turns out that the greedy owner is pocketing that money for himself!

That's not how it works! A person does not take into account the payroll of the accounting department, financiers, cleaners, advertising managers, couriers, workers who mount billboards and assemble exhibition equipment. And then there's the tax burden, the advertising costs the company incurred to get bids from customers, and so on. In other words, from this 3500 dollars, which the employee "earned" for the company, is immediately deducted oh-so-quite a percentage.

When we tried to explain to employees how finances are actually distributed in the company, many people thought they were being deceived. That is, some people didn't want to listen and were simply convinced that they had to endure certain hardships just because management didn't appreciate them or show them favor.

But you have to talk to the team anyway, even if you know that there will be people who disagree. And first of all, it is necessary to communicate with those who hold leadership positions and are responsible for subordinates.

In general, we introduced the following practice: we called one by one the heads of structural divisions, showed them the financial plans of their departments and how they were fulfilled (or not fulfilled). Then we explained how the crisis situation was affecting the company's profits and the market as a whole, showed them current profits and losses,

development prospects, and asked them how we would proceed. Some managers offered harsh solutions: "Let's fire this one and that one!" Others offered more democratic options: "We will temporarily cut everyone's wages, but we will save the team completely".

This is an important point from the point of view of company management. Judge for yourself: reforming business processes can be initiated by the owner of the company, top management or middle and line employees. When changes come "from below", most often employees themselves immediately understand their responsibilities and how to reorganize their work algorithms in order to get better results. No wonder - these are the people who know the work processes thoroughly from the inside. If you let initiatives come down from above, you are likely to encounter sabotage, and then it's all over.

The only problem is that in our personal experience we have noticed the following - only a small part of people are really ready to take responsibility for what happens both at work and in life in general. Most people find it easier to blame everyone around them: management, ex-wife, children, because of whom they cannot change the circumstances. In general, such people consider the cause of their failures and inaction all around them, but not themselves. Surely you, dear reader, have such characters among your acquaintances.

Let me give you a working example. A long time ago, accountants used to work with wooden bills, and there were no other devices to keep records. Then the market changed: the first calculators appeared. Then computers, and after that specialized programs like "1C". The software already allowed collecting large amounts of data and automating them. And now imagine - at one time you hired an accountant who uses only invoices. Hmmm, well, nothing, the main thing - the main thing is that the

business goes on. But times are changing, and you suggest that he switch to a calculator for starters, thus somehow optimizing his work. And he nods his head and agrees, but stubbornly continues to move his knuckles. Technology is improving even further, the employee clearly does not have time to do his work the old-fashioned way, he needs additional assistants. The person does not develop, does not move forward - he is afraid to try new systems: what if it doesn't work out? As a result, there are no results, enthusiasm is below the plinth, and profits are falling. The accountant almost openly expresses his negative attitude to what is happening in the company. Question:

**and who is to blame for this?**

The boss! And from all sides. The hired employee is sure that the manager, and only he, is the only source of all the troubles. And the owner from his bell tower should realize that it was necessary either to insist on the transition to new technologies at any cost, or ... kick the ass of such a negligent accountant, since he is so clumsy that he does not want to master not the most complex tools and keep up with the times.

As already mentioned, not a single employee who showed really good results in our company left during the crisis period. We kept all the valuable ones. But those who expected to just "sit it out" with us until they received a more favorable job offer, left the company themselves. In addition, employees who had their own additional business (in which they actually put their heart, energy and strength), and in our company at the same time saw only a safety cushion, also left. Of course, all the opponents of progress, like the accountant from the example above, also left.

And when only the most hardened ones were left in our ranks, it seemed that we started to push back from the bottom. However, this "seemed" also had its price.

### **We hire the best, period**

For some time I lived in South Africa, Canada, USA, Australia - in the former British colonies. I wanted, to put it simply, to get out of the country for a while, to distract myself and at the same time to see how things work abroad....

But perhaps I'm not starting from the right place. Perhaps I'll digress a little and tell you how exactly I got interested in traveling.

Once, about twelve years before this book was written, I was browsing social networks and came across a picture of a friend of mine rafting down a river. Hmm... Interesting, interesting, interesting.

That same summer I went rafting in Karelia and a year later - the same place, on the river called Uksa. That's how thanks to the site "Odnoklassniki" I got involved in camping life and extreme! And they also say that looking through the news feed on social networks is a waste of time... Not always!

Then I wanted more. So I went on an autonomous ten-day tour around the Kola Peninsula with a great team. By day on a catamaran, at night in a tent... All this time I was without cellular communication and internet, that's what I liked most of all. And willpower has nothing to do with it: it's just that in those parts of the world there's no network coverage at all.

When I came back, I immediately started making plans for the next trip. Now I wanted to conquer the mountains. Elbrus was closed at that

moment (sort of because of the terrorist threat), so I went to Kazbek. It was November, with snow up to my waist... It was a tough climb!

Since then I have been going to the mountains regularly. Kazbek, Elbrus, trekking on mountain peaks... No beaches in Turkey or Egypt! Only new accomplishments and new proofs of my own importance - and you already know what a man needs them for.

Besides, I got acquainted with cool guys from Ukraine, who led tours to the mountains. One of them, Vyacheslav Gerard, the founder of the portal vsevgory.com and a very cool guide himself, told me about his trip to Iceland - one of the most beautiful countries in the world, according to him (on a par with Norway and Nepal). I decided to start my acquaintance with the amazing corners of our planet. And, having given the necessary orders, I left for a couple of weeks.

You know the joke that Iceland is the only country in the world where you have to take out a loan to pay for lunch? Well, that's not far from the truth. For example, even the coffee at the gas station was noticeably expensive.

After the trek we decided to hitchhike around Iceland, we went to see lagoons and waterfalls. One day we got a ride from a guy in a pickup truck. He had a shotgun in the cab and an ATV in the trailer. Our traveling companion was on his way to hunt deer. Said he worked at a gas station. Obviously not a simple gas station attendant - probably a manager, but still!

Looking at this man, who looked absolutely happy, I thought: "Oleg, you are an entrepreneur from Russia, but for some reason you hesitate to buy coffee at an Icelandic gas station. You don't have an ATV or such a



cool pickup truck, and you don't go hunting... unlike the employee of the same local gas station."

And this is despite the fact that I live in the most mineral-rich country in the world, which is not the case with Iceland. There are almost no natural resources here, and what is there - even trees are imported here, they don't grow their own. Geysers, not wood, are used for heating private houses....

So why does an employee of an Icelandic gas station live better than an entrepreneur from Russia? I felt bad for my country, so I decided to continue traveling around the world to see how other countries live, and maybe learn something useful. One problem: I spoke almost no English, only "London is the capital of the Great Britain".

That's how four times a year trips to language schools abroad took the place of mountain hiking and river rafting. I started with Malta, then went to America and Canada. For example, I spent one month in Toronto. I took as many English lessons as possible. In the evenings I went to the gym with local guys, to Thai boxing and wrestling, and never missed a chance to test my language skills. Canadians, by the way, are very tolerant of newcomers; they are ready to repeat the same thing ten times in a row if they see that you don't understand English well.

I spent a total of nine months in the USA, living in different cities. I realized the main thing: if you set yourself the task of learning English, you must stop communicating in any other language. Accordingly, on my trips I avoided Russian speakers as much as possible, and there are quite a few of them in Toronto. Anyone who really wanted to speak Russian, I offered to call me when I got back to Russia. I spent my time mostly with Colombians, Venezuelans, Frenchmen, and Swiss.

And what was going on at Medor at this time? In brief, nothing good, but we will talk about that a little later. Now I will answer one of the main questions in general: what is there in Western countries that we do not have?

My main discovery is that the legislation there is really tough, and everyone around them observes it rigorously. Everywhere you go, there is complete order. And after a relatively long experience of living abroad, I looked at what happens in Russian companies (including ours) and realized that there is a mess going on here. And yes, it needs to be dealt with. The first item on the list of things that need to be fixed is personnel policy. I will tell you more about my hiring system.

We hire only the best specialists in their field. To begin with, we assign a newcomer to manage one specific area, without adding a million additional cases on top. For some time we watch and analyze his results, how many projects he completed during this period, whether he managed to establish working relations with clients. We can see at a glance whether a person is effective in his place or not.

Here is an example of one such story. I will pass the floor to one of our former employees, Boris Volodin.

**Boris Volodin, an employee of the Medor agency in 2009-2012, is currently head of the advertising department of Sushi Wok, the**

**largest international take-away pan-Asian cuisine chain (<https://sushiwok.ru/>):**

*I already had some experience in advertising, although not in a full-service agency. By and large, I came in without the necessary knowledge, but Vladimir Sakovsky did employ me.*

*I was paid 25% of the profit from the projects. In the first month my salary was 85 dollars, in the second month - 330 dollars. I was nervous and scared, and I thought: "Well, that's it, it's time to start earning normally, otherwise I'll be "eaten" here. The others seem to be working well, but I am not doing well... I either can't make it or just have no luck". I pulled myself together and in the third month I bombed - I earned 3500 dollars net. And in the fourth - as much as 7000 dollars! That furor and my jubilation I will remember forever. I was waiting for a miracle, and it happened.*

*However, miracles have nothing to do with it. The fact is that Medor's leaders were constantly training their employees. The agency has well-developed mentoring, not just "they gave you a phone and you can do what you want". Vladimir, as my direct supervisor, gave me a lot of advice. Oleg also helped me, if he saw that I was "stalling" on a certain task, he would say: "Let me explain to you what the problem is".*

*The main secret of my success is simple: I didn't give up, even though potential customers sometimes sent me straight to the mother lode. I took it calmly. Maybe a person has some problems at home and releases negativity on others... it doesn't matter. The main thing is to continue, with diligence and perseverance. "Patience and labor will overcome everything," as they say. And that rule works in sales to this day. Push to the last and get your money! Even if you do not fully believe*

*in your success. Believe it when you see the coveted sum with five zeros on a piece of paper from the accounting department.*

*I left the agency "Medor" with a tremendous experience, which you can not get in any institute. By the way, all domestic, standard training programs are based on books written abroad, which means that in many ways they are not applicable to the Russian market. That is why young specialists who have only just left the institute are often not employed in their specialty. Those who do find a job still have to learn anew, from their own experience. It is difficult. And yet: whatever happens, don't give up! After all, in companies like Medor, the team always helps you adapt and understand what is really going on in the market now.*

Boris is one of those people who are constantly looking for themselves and trying new things. This is a great strategy if you want to stay in place in this life and keep pushing the boundaries of your personal possibilities. Boris's professional career confirms the idea that a talented person will always and everywhere find a (well-paid) use for his skills.

### **Boris Volodin:**

*When you work at Medor, you are invested in. The management's position is: "We are professionals, and since we are doing this business, we have to be the best in it". This rule applies even when employees leave for other areas. I can say about myself without too much modesty that I am a professional, and I became one thanks to the Medor agency. I am*

*often invited to other catering chains for top positions, but for now I plan to stay at my current place of work - at Sushi Wok.*

*By the way, if a person leaves Medor, it doesn't mean that our work together stops. For example, the company where I am responsible for advertising cooperates with Medor - and quite productively! For a long time now, my former place of employment has been the advertising contractor for my current place of employment. It may sound a bit unliterary, but it works without fail!*

*Therefore, the conclusion is that it is beneficial to work with Medor in any case. If you are a current employee, you get experience and skills. And if you are a former employee, you can easily become a partner, because it is a pleasure to recommend Medor (knowing the attitude of the team to the quality of services). I have a lot of jobs under my belt, and with each new one my position and salary became higher and higher. Therefore, I would like to take this opportunity to once again thank everyone who has worked and is working at Medor for the opportunity to grow and constantly develop!*

Not a bad career, right? However, you can make it without leaving Medor. True, we have an unspoken rule in our company: we do not employ those who have more than a year's experience of working in government structures - the police, the judiciary and similar areas. There are no rigid arguments here. It's just that all our experience of labor relations with people from the categories above is negative. All of it. Perhaps they are not bad as individuals and specialists, but I personally and my team usually fail to find a common language with such people and establish work. Plus, in my subjective opinion, people who came from the "system" are inactive. They are used to the fact that initiative is punishable

and it is better to keep their suggestions, ideas and opinions to themselves.

I also think that the existing system, which is a sin, in some cases literally sets up employees to be "dirty on their hands". And our company has a strict principle: zero tolerance for lying. For lying, we immediately dismiss, without any options.

Let's say that a fire inspector does not take bribes as a matter of principle. But at the same time he knows that his colleagues do not shy away from such "monetary gifts". So, he (if he sees and keeps silent) contributes to the crime, right? Is it a lie? Or some would say it's a silence, an unspoken truth. To me, the unspoken truth is the same as a lie. And in any case, when a person does not report a crime, he becomes an accomplice. In my opinion, this is unacceptable.

Once again, this is all purely my personal opinion. But it is supported by the experience of interaction with controlling organizations, representatives of which sometimes come to us with checks and from time to time (some comrades) clearly demonstrate the desire for personal enrichment.

To be fair, let me give you a positive example: what is our approach to hiring in action, i.e. how exactly we choose the best specialists.

In 2012, we decided to develop our mobile exhibition business. Surely you have seen, say, in McDonald's mobile stands with vacancy announcements. In the professional environment, this type of advertising is called x-banner or "spider". Another type of mobile construction - roll-up (roll up): it is a frame with a stand and a "cassette" from which the banner with advertising is unscrewed.

At that time we sold this kind of equipment in relatively small volumes and wanted to significantly increase the realization, say X10. But there was no one within the company with this kind of experience. What to do? We started looking for a specialist on the market who would take on this topic and organize everything on a turnkey basis.

The personnel department received a task: write a query in "Yandex" - "exhibition equipment" - and make a list of the top 20 companies providing services in this direction. And then call them and ask who is responsible for sales. Go out to this person, call him for an interview!

If quite simply: **let's "hunt" the best of the best.** To do this, find out how much this person receives at the current position, and immediately offer him 1000 dollars more.

The scheme worked, we hired a strong pro - Andrei. He came to us from one of the top exhibition companies, which Yandex then gave out the second on the right query. In short, it was probably the most powerful specialist from the leading organization.

Andrei came into our office, and by the energy he radiated, it was immediately clear - a salesman had arrived. The man immediately asked what working conditions we offer, because he already works in a cool company. I answered not without irony:

- If everything is fine at your previous place of work, why are you wasting your time meeting with us?

It turned out that he had a salary ceiling there. That is, he received a fixed amount of money no matter how much he exceeded the plan. After talking to him, I realized that his competencies were really worth more than the salary he was being paid. As I had intended earlier, I immediately

offered him \$1000 more, plus no salary ceiling. That's for starters - and then we'll see.

I think you realize that if the principle of "hire the best" is used in the company's work on a regular basis, it requires a certain budget. It is also obvious that we never save money on employees if we see that the business will benefit from it. "Change the world" or "revolutionize the industry" are good slogans, of course, but... We believe that the most important thing is that a person is paid decently. If an employee has no money, he or she is obviously not in the mood for high thoughts. And vice versa, when a person is well-paid, he or she has a certain freedom. This is our logic.

And the strategy worked - Andrei brought a lot to our company. The man proved in practice that a high-class salesman can masterfully package a product. He used to say: "I only need to be at arm's length with a client to sell him something". It's like a judoka, who made a grab and then confidently leads the fight to victory ...

And I would be glad to write that Andrei is still in the ranks of Medor, but, unfortunately, it is not so. Why? Because in addition to professional qualities, there are also human qualities. They manifest themselves over time, and some of them I had no desire to put up with.

For example, we had different views and understanding of what customer service should be. In our company, the requirements for customer satisfaction were much higher than what Andrei was used to in his previous job. Simply put, we always strived for a level of service after which the client would write a thank-you letter or leave a positive video feedback. The opposite point of view was that the service should be provided within the framework of the contract. From now to now - and



that's it! Perhaps the client was counting on something more, or found small faults, and they should be corrected... But within the contract the work was done, and that's the main thing, we stop. Not our option, because:

**the problem is that the customer's happiness  
is not regulated by the contract.**

For example, you ordered furniture, but it turned out to be chipped. The contract with the manufacturer says that small chips are allowed, up to a certain size. But who reads the contract thoroughly? As a result, you are not happy with the purchase and swear at the seller with the last words - precisely because they shove a paper in your face and say that formally everything is within the fixed agreements. Will you contact such a company again and even more so recommend it to your friends? I think the answer is obvious.

We at Medor believe that when working with clients, **money is not the most important thing - reputation is worth much more.** An obvious thing in our opinion, which for some reason not everyone agrees to accept.

But in any case, we parted well with Andrei Anatolievich. Now he is the owner of an exhibition company with its own production, his business is going well, and as far as we know, his clients are quite satisfied. We, in our turn, are also happy - a new direction in our company was born and grew thanks to our cooperation.

Continuing the topic of hiring, I can't help but remember this. There is an anecdote or a parable about Henry Ford. Something went wrong in his factory. He invited an outside craftsman to take care of it, and he walked around and looked at it. Then he took a sledgehammer, banged it on the machine with a swing, and bang - immediately everything worked. The foreman hummed, turned to Ford and said: "That'll be 10,000 dollars, sir. By the way, at that time this amount, taking into account inflation, was equivalent, probably, almost a million dollars in our time. Ford responded by asking if it was too expensive for just one blow with a sledgehammer. The specialist parried: "I've studied all my life to know in what situation where to hit. And Ford paid the bill gratefully.

So, when you hire a really cool professional, he does his job quickly and efficiently. At the same time, his services usually cost about twice as much as an ordinary specialist. Only such "ordinary specialists" you will need ten people to solve the same problems, as practice shows. And they, by the way, still will not achieve the same result. So even from a mathematical point of view, the strategy of attracting the best of the best is 100% justified.

**Elizaveta Spiridonova, financial manager, financial analyst, employee of Medor since 2011:**

*Everything is complicated in our company. You can be in one position and be doing a lot of things, like, for example, when I came to the position of assistant office manager, I started sorting out documents, of which there was a huge pile. Gradually grew up to checking payroll, paying bills. Now I work with financial data and I still check payroll. How much was paid, how much was spent, by what account. What was shipped, what wasn't. On top of that, I also pay my own bills.*

*I've gotten used to this multi-stop arrangement. It has its advantages. For example, they let me go to the gym in the morning - it's very convenient to start the day with physical activity. But in the evening I can't even leave early. We go home at seven, eight, and sometimes even at the beginning of ten. There is a lot of work, but if it is fun, there are no problems.*

**Oksana Novokshanova, Medor employee in 2017-2018, currently a professional Instagram tagger and coach.**

*I've been working in sales since 2009, half of the time as a sales rep. At the time when I got a job at Medor, which was 2017, I already had a serious accumulated experience. But I had never worked in the advertising segment before.*

*I had just arrived from another city and was looking for a job in the capital. I came for an interview at Medor and was accepted. At first it was scary, because, even though the directions are roughly the same, the essence of the work and responsibilities are still different. I had to understand advertising equipment and services. It was hard to communicate with customers on the phone, because as a sales representative I always conducted transactions in person.*

*But I overcame the fear over time. First of all, thanks to my cool mentors - Vladimir Sakovsky and Tamara Gayeva. Although it was not only them who helped me, but the whole team as well. Even the couriers explained what and how to do to make a delivery, the girls who worked at the reception and many others. Literally everyone told me how everything is organized in the agency - "from and to".*

*It was difficult to see Oleg Krutko in the agency, because he was always busy with something. But at the time when the owner appeared in our office or at some meeting, he always tried to give time to each manager. Oleg knows not only all the employees by name, but usually even their clients.*

*And he was also constantly conducting training for the sales managers. We would gather in the meeting room, the boss would give us useful knowledge and homework. Once, I remember, three girls, including me, won bouquets of flowers for doing them correctly. It was nice that here they motivate employees to learn not only in monetary terms.*

*The tasks, by the way, were related to sales, of course. For example, one of them was to call customers again and offer them a new product.*

*Calling is a problem for many people. It's very stressful. By the way, if you want to know how to overcome the fear of calling strangers: you just need to relax. Plus, every normal sales department has scripts of conversation to help. In general, I advise you to pay attention to the scripts, the agency provides ready-made ones, but not to use them mindlessly, but to adapt them. Adjust them to suit yourself, adapt them.*

*I would also advise you to be braver. If something does not work out - turn to a mentor. Relax in any case and try to fulfill the plan, and not just for the sake of a salary. It should be necessary for you yourself, such a levelling-up, a new level, after which you start to become an even stronger specialist.*

For a long time, we had a controversial position: not to hire former business owners in our company. We thought that people who "blew" their own business would ruin ours as well. But at the time of writing this book, there are already several people with entrepreneurial experience working

in our team. And instead of sabotage, they treat our company as they once did their own. Having been in the "skin" of the owner, the employee understands what the company's real costs are and how other business chains depend on the timing of his part of the project. He also realizes that if the team meets the deadline, he himself will receive a serious reward.

I will pass the floor to these wonderful people.

**Tatiana Krukova, Head of Sales, has been a Medor employee since 2020:**

*"I came to Medor from the travel business, during the pandemic, when this direction, in fact, died. Before that, I worked for myself almost all my life, and now I realize the advantages of working for someone else.*

*The main thing is that here you can relax. You go home and you don't have a headache. You don't have to think, for example, about how to pay the rent in January - they've already thought of it for you. And at the same time you are allowed to develop and earn money.*

*In short, I feel quite comfortable here, I have nothing to complain about.*

**Nadezhda Pashkova, back office manager, has been a Medor employee since 2019:**

*Before coming to Medor, I was a freelancer, actually a micro-entrepreneur. I know that this is what is considered nowadays: it's cool to work for yourself, not for your uncle. I don't understand this opinion, to be honest. I think that everyone has his own way. It's just a fashionable trend now, I guess. And so - not everyone is capable of working for themselves.*

*Because many people, it seems to me, are not even given it to some extent. They need a boss, they need to be controlled....*

*It's not easy in recruitment either, of course. In the agency at first it was scary, unfamiliar, incomprehensible... After all, a completely new market for me with its own rules, which I had to understand from scratch! But Oleg infected all of us with his eternal optimism and enthusiasm, which helped at first. We had no energy, and then one day you see an active manager, and you immediately think - why be discouraged? You have to live up to it!*

*Then, when things started to go uphill, the fears finally disappeared. We were so immersed in work that there was no time for doubts.*

*Oleg Krutko is a good manager, because he does not scold for mistakes and gives the team opportunities to develop. The most important thing for him is that an employee should act independently, strive for knowledge and improve himself.*

*It seems to me that he and Vladimir Sakovsky complement each other. Oleg has a lot of ideas, he is a creative person. Vladimir guides him, helps him to bring these ideas to life, to link them to reality.*

So even if the former owner decides to sit with us for a while and wait for better times to get back to building his own business - fine, fine. But only if he or she is fully and completely with us!

In any case, we consider it a good option when a person of high competence comes to us. Our rule is that every next specialist should be more experienced and smarter than the previous one. It's simple - every new employee who comes to us must be at least better in some way than either me or the head of the department who hires him. Thus, the company is always developing, not stagnating and, moreover, not moving in the

opposite direction. And together with it, the employees progress - all together and each of them in particular.

By the way, here is a short story about how it happens in practice:

**Anastasia Goryachkovskaya, head of sales, has been a Medor employee since 2009:**

*The story goes back a long time. In 2009, my colleague from my previous job, Olga Demidova, came to Medor, became head of the department and invited me. I came here and... stayed for good. I came, by the way, not empty-handed - I brought with me a client base, which, incidentally, included PepsiCo. Oleg was especially pleased with her.*

*At first she worked as a manager, at the same time was a buyer of souvenir products. Then she took an assistant, became the head of the souvenir production direction and continued to be a manager. Then she rose to the head of the working group, took an assistant for advertising. And slowly decided that it was necessary to grow even further and recruit a team. That's how I got into management - by my results multiplied by ambition.*

*To be honest, I had goals: to buy a car, an apartment, to have a child. And all this implied that I had to earn a certain amount of money. I persistently went to it, staying at work, sometimes until morning, working on weekends, fully participating in every project. And there are a lot of people like me in the company.*

*My husband says that I am a workaholic. But he's used to it, and we keep on a balance: if I'm late at work, he sits with the child. But if I urgently need to take a day off during the week - the management meets*

*me halfway. I don't get professional burnout because I always make a work plan and follow it clearly. This is my only, if I may say so, secret of efficiency.*

Over the years Anastasia has proven her high professionalism many times. We take this opportunity to express our gratitude to her from the pages of this book! If only everyone who comes to work with us were like this, our business would grow at a noticeably fast pace, but it happens in different ways. Unfortunately, there was such a case. In the office in St. Petersburg (where we opened a branch when we were more or less back on our feet after the crisis), the manager hired employees who could NOT surpass him in anything. That is, the newcomers were worse than those who hired them - professionally. And then the spiral spiraled - they themselves, in turn, did the same thing and also looked for people of the same level or lower.

Perhaps the reason for this personnel policy is that some managers find it difficult to compete with new recruits. Or, alternatively, they just want to assert themselves at someone else's expense. And everything would be all right, but the company loses from this. And such a policy is manifested in the fact that here and there, on the vastness of the network suddenly "pop up" reviews from dissatisfied customers. As a result, in another financially difficult moment, because of the difference in views on further development and the use of official position to achieve personal goals, I had to part with that manager. The process was not easy either - conflictual and nervous. But, one way or another, all's well that ends well. And now it is absolutely certain that every next employee of the Northern Capital office exceeds the competencies of the previous one.



I will come back to this story later and tell you in a bit more detail how we opened a branch in St. Petersburg and what bumps we hit. In the meantime, I want to give you all the thoughts I have about hiring and HR policy in general.

In the history of the Medor agency, there have been times when an employee joined us with a specific goal in mind - to save a certain amount of money or to wait out a year or two of crisis until better times. Or simply to gain experience, find clients and wait for a vacant position in a "dream company". And it would seem that contacting those who do not see a great future for themselves within the walls of our agency is not very profitable strategically. But in fact, everything works exactly the opposite (once again: provided that the person is a real pro in his business). For example, we had a terrific Internet advertising specialist with an original mindset working for us. He waited about two years for an attractive position at Gillette and went there, but the functionality that he brought to our company during his work, we still use to this day - years later.

This does not happen very rarely. For example, a person intends to head Microsoft's development department in America. And he is waiting for a suitable opportunity, which is not currently available. That is, there is a strong pro, who right at this moment needs a job in his specialty, albeit temporary, but still. As I write these lines, we have an employee who has a green card, work experience and living in the States. While we're working on the book, he's getting a green card for his wife.....

So we all knew when we interviewed him that he was a temp. But we also understood another thing: if such a specialist on the American market costs \$15,000, and he works for us for only \$2,500 (such are the figures on the Russian market), then at some point the person will leave,

but his developments will remain with us. And this is extremely profitable for our business.

By the way, the specialist's name is Mikhail Demidov, and he has become a full-fledged business partner in two of our projects: a sterilization plant for medical devices in Kaliningrad and an e-commerce hypermarket in the USA.

**Mikhail Demidov, a Medor employee since 2020, is now a business partner:**

*"I have been working with Medor since November 2020.*

*The story was as follows: I had been working in the US for a long time for an American company, but for family reasons I returned to Russia and started looking for a job here. On HeadHunter, I found a Medor vacancy related specifically to American topics: e-commerce project manager for the US market. Just what I needed! I worked in the office for a little while - three or four months. I liked the team: cheerful, friendly, mostly young guys and beautiful girls.*

*Then Oleg and I decided to move our relationship in another direction - to a partnership arrangement. Since then, I am not quite inside Medor, I do some projects on partnership terms.*

*What I liked about the agency is the constant collection of feedback. It's a pleasure to work with Oleg, the manager, who is always on the phone, available, ready to discuss new ideas. There are no bureaucratic hurdles, live communication, dialog, process!*

*I believe that such openness is a big plus for the company and a great merit of Oleg and Vladimir.*

*And in general, I can note one more important aspect: a company is not the same as a company. "Medor is one of those where everything happens rapidly. And any employee who is considering joining the agency or is already on the staff should be prepared for the fact that he or she will be required to deliver results - fast and noticeable. You need to grasp the essence of the projects at once, not sit, delving into the task for months and thinking about something distracting. Here you need to clearly understand that you came to work and bring something useful to the company, not just sit in the office eight hours a day for a tick.*

*Fortunately, the process of immersion and adaptation of employees in the agency is well established, I judge from myself. Older, more experienced colleagues will always help, show, tell, and answer all my questions.*

*Of course, a newcomer can make mistakes, but at the first stages it is normal. A person learns to work in a system, in a team, with a particular product. Let's say he misspelled the name or wrote the letter wrong - it happens.*

*Although the management reacts quite sharply to gross unprofessional mistakes. And that is correct. If you call yourself a professional, but you make "schoolboy" mistakes, you bring losses to the company. Such employees are quickly forgiven. Moreover, there are scripts for most situations. If you are given an instruction and you don't follow it, it's your responsibility! Isn't that logical?*

## **Chapter 3: Gas to Floor**

## **A billion-dollar plan**

So, our company began with the sale of advertising space in the press and "Begun" - which, let me remind you, was the name of the contextual advertising network on the Rambler site (who has forgotten - this is a search engine that once competed with Yandex). Then ... Yandex itself was added. Then a client, Moscow Credit Bank, ordered souvenir products from us: pens, notepads, calendars. The company had no experience in this segment, but you don't think that stopped us, do you? This is exactly what we wanted - together with the team we figured out how everything worked, got into all the nuances and fulfilled the bank's request. Although not without difficulty, I must be honest.

Imagine this: a manufacturer sends us a batch of pens. We rejoice like children - it's on! And then someone gets the idea to test them. And it is absolutely necessary to test the pens. After all, sales representatives of companies will give them to customers - everything must work. Think about it: you buy a car, they give you a pen and it doesn't write. I'm sure you'll immediately think: maybe the car these people sold me won't go far either?

We run the pen over the paper, and horror: black paste! And the client wanted blue, strictly speaking. And what to do now - send the batch back? But the customer expects the result today!

"Mute scene", almost like Gogol's, is interrupted when a saving thought occurs to us. We run to the stationery stores, buy 10,000 quality blue rods, check each of them - with our own hands, can you imagine? And then the secretary, three managers and I in ten hands untwist these pens, insert new rods and only then with a clear conscience give the order to the customer.

The customer, as it should be, was satisfied. This is how new directions are born. Not without problems, but something to remember, right?

After that order we began to offer souvenir products and printing to other clients.

Further more - one day one of the clients asked if we were engaged in advertising in electric trains. Oh, and this is an idea! And how did we not think of it ourselves? The rest - a matter of technique: to find out information about this sphere, to make a special section on the site, to conclude a contract with "Laisa", the exclusive operator of Russian Railways. Voila, another new direction!

So it usually went something like this: clients approached us with a specific request that was unusual for us. We thoroughly understood the segment, analyzed the market, and fulfilled the order. And then we expanded the range of our services by means of a new direction, which we mastered in combat conditions, and offered other clients to try it themselves.

Of course, it is always easier to turn down opportunities, but why? It may sound loud, but I am convinced that such an approach is not in the spirit of Medor Agency - we want everything different and more, and then, it is logical.

At the time of writing this book we provide a full cycle of services for the client in the format "360": from the development of positioning strategy and creation of platforms for generating applications (websites, applications, lendings) to ensuring the flow of quality clients through Internet promotion, social media, placement on television and radio. With a clear hit in the target audience, up to the subsequent post-advertising

analysis. We also help the client to work on reputation, we do not hesitate to perform work on procurement, media planning, internal and external marketing.

If the customer remains dissatisfied with the "output" from advertising, for example, on transport (for some reason will be low return), there is a significant chance that additionally ordered promotional video will "shoot" and bring a lot of orders. Another client, on the contrary, will not appreciate the radio advertising, but he will like the result of a coherent and distributed to the target audience advertising catalog. That is, offering people a wide range of services, we protect ourselves from possible negativity, and those who come to us - from the risks of "put on the wrong horse". If one thing doesn't work, another will!

It is also important that

**quality work in several areas strengthens our reputation.**

Potential clients see that we are a full-service agency, not a small, narrowly focused company. And not only they notice this, by the way, but also our potential employees. The bigger the company, the more trust applicants have in it, the more useful things they can learn from it.

In short, we are doing a lot of things today - thanks to our customers! Although this is not the only way in which Medor's lineup of new areas can be expanded. We have an employee motivation system designed for this: if you develop a service yourself, sell it, you get 7% of the margin for a whole year. And the manager who leads the project (who took the initiative himself) gets 20 or 25%, or even 30%, depending on the complexity. This is an opportunity for team members to earn serious money, and many of them take advantage of it.

Of course, just having a bright idea is not enough. An employee needs to write a roadmap, calculate an estimate, and think about product promotion. And if we see on the basis of a complete analysis of the niche that the success of the project is possible, it is inherently advertising and has the potential to scale, then implement the idea.

I'll tell you right away: it's not as simple as it may seem from the outside. Do you know how many times my team members have offered to develop a mobile application for customers? At least ten, but all attempts failed. Not a single customer liked the finished app: it was not quite convenient or functional enough every time. There were some employees who thought that now we would "tweak" some technology and everything would be fine! But no, it was never possible to create a perfectly working application, so we gave up the idea. Yes, recognizing that at a certain stage the idea did not "work" is a separate skill. Being able to look at things soberly and realize that the idea did not work in this configuration is simply necessary for business development.

And in general, yes - initiative is very much encouraged in our company. Let's say a client buys contextual advertising, and the manager suggests that he additionally order printing products - and he agrees! Well done for telling the customer about this opportunity, get a reward. For sales in additional directions, the employee receives an extra bonus, in addition to the prescribed percentages. By the way, thanks to this system, employees not only offer the customer more services, but also begin to understand them more deeply.

For example, there is a manager who is responsible for advertising on transport. This includes buses, subways, trains, airplanes, and even cabs - in other words, the spectrum is very broad. And this manager, let's say, having received an order in his main specialty, in addition, made for

the customer two hundred-page catalog and agreed on radio advertising. This means that in the course of working on the project, he gained new knowledge and can now offer the next client three areas at once. Thus, the employee not only earns more money, but also develops as a specialist. And the client, in turn, is satisfied with working with our agency - all the work is done for him on a turnkey basis in a one-stop-shop format.

By the way, I will pass the floor to one of our wonderful employees who specializes in communication with clients. To be more precise, this person was in charge of "cold calls" - that is, outgoing initial contacts.

**Anton Karamzin, an employee of the Medor agency in 2009-2010, is currently the owner of several businesses and co-owner of the Patrik Man brand, a chain of classic men's clothing stores (<https://patrikman.ru/>):**

*I lived in Japan for a long time, came back to Russia and worked as a translator for a couple of years. Then in 2008-2009 there was a crisis, and it was a difficult time. My job didn't become less, but the solvency of the company I was temporarily employed by wasn't very good.*

*I had to go on interviews in sales departments, so I ended up in an advertising agency. Now I realize that most employers do not like employees like me - too, how can I put it more accurately, independent, or something. Most do, but not Medor, with whom we literally crossed interests. I wanted to develop - and the agency needed enterprising people in the outgoing calls department who were eager to develop themselves and were willing to actively learn. The catcher and the beast, as they say.*

*Personally, "Medor" gave me a very cool base of understanding of how relationships within the team are organized, what is the search for*



*customers, fulfillment of orders, invoices, delivery notes, all the rest of the paperwork. In fact, I realized how the world works: not only the advertising world, but the world of sales in general.*

*At first there was no client base, I collected it myself: I processed it, looked for clients. Remuneration was very simple - 50% of the profit from my sales. This is a huge percentage, by the way, the coolest conditions for self-development! In fact, I worked for myself, was a company within a company, and did not care about providing a workplace, did not worry about taxes - all this was arranged by other people for me. Convenient!*

*All I did was call clients from morning to night. The more calls I made, the more chances I had to sell something - it was simple. But since I had no experience, it was hard at first to go from a nice conversation with a customer to financial issues. I didn't immediately realize that I should just say, "Dude, here's the bill, pay it." But over time, that came too. I was told the story of how Oleg came to the customer, threw an open backpack on the table and said: "I've come for your money". Why so? Because it is a good psychological technique: a kind of recklessness that attracts people. I did not understand it then, but now I pay attention to such "tricks" and practice them myself!*

*Now I am an entrepreneur myself. I am the owner of several businesses in the clothing trade, founder of Antago LLC (wholesale supplier of men's clothing to marketplaces) and co-founder of Patrikman Rasha LLC, better known under the Patrik Man brand. This is a chain of classic men's clothing stores. There are more than ten retail stores under this brand (both owned and franchised).*

*I work with another former Medor employee, Stanislav Ramazanov, on the Patrik Man brand. And I use much of what Medor taught me in my*

*daily work. So nothing has passed without a trace. We are always in touch, working, developing, and from time to time we remember the times when "our steel was tempered".*

**Stanislav Ramazanov, an employee of Medor in 2009-2010, is currently co-owner of the Patrik Man brand, a chain of classic men's clothing stores (<https://patrikman.ru/>):**

*By the way, it was at the Medor agency in 2009 that we met Anton Karamzin. A year later I opened my own company and invited Anton to help me. We developed various projects, websites, startups... A couple of years passed in this mode. In 2013, I went to Thailand for a year. When I came back, I immediately started looking for something to open, launch or do in Moscow.*

*And here I came up with an idea: to sell men's suits wholesale! We started the business in the form of a wholesale company, which gradually grew into a retail company. In 2014 we opened the first store, in 2015 - the second, in 2016 - four at once, and in 2017 - four more. And when we opened ten more stores in 2018, our company grew into an entire chain.*

*With Anton, we eventually became full partners. At the moment, I am co-owner of the Patrik Mapi brand working with the public sector.*

That's why our organization must continuously grow, our business must develop. The more we work, the more profit our clients get. Employees also develop - some within the Medor agency, and some within their own business.

This result is achieved only by total immersion in working with clients, in fact - serving them. For this purpose we actively master new

technologies, performance-marketing, big data analysis and so on, otherwise we cannot survive in the XXI century.

Such are the times at hand... By the way, speaking of the times.

### **Idlers from the Capital of Culture**

There is an opinion that in the age of the Internet a company does not need to open a representative office in another city at all. You can contact a client, for example, from Kazan by messenger, take an order and fulfill it while still in Moscow. Is that right? Yes, but not quite.

In 2010, we decided to set up a representative office of the Medor agency in St. Petersburg. At that time, the number of branches of the company spoke of its status on the market. Every large organization of those years sought to develop a regional network. Remember (and those who don't remember - imagine) the website of any firm, as it looked then: there was bound to be a map of Russia with ticks and flags: "we are in St. Petersburg", "we are in Makhachkala" and so on. This adds credibility and image to the business in the eyes of customers.

And the main thing **is that people developing their business in different territories get to know the local peculiarities of the audience, logistics, and the legal system.** Perhaps you have heard the story of how Mitsubishi promoted its Mitsubishi Pajero SUV on the Spanish market, but did not take into account that pajero is a rude swear word in the customs jargon? A lot of money was lost until they realized to change the name to Montero, which translates as harmless "gamekeeper".

In addition, if you are going to take your business to the international level, I advise you to take into account the "red days of the calendar" of those territories where you plan to open a branch. Colleagues told me how

they promised a client to develop a commercial proposal "by tomorrow". But they did not take into account that the office of the executors - the service company with which they were cooperating - was in Ukraine. They had a public holiday that day, and no one was working. The client was let down, the deadline was not met ...

So, I had the idea of opening branches of the agency not just in Russia, but all over the world. It's not just about status, by the way. For example, let's imagine a situation where a large federal company (let's say IKEA) wants to run an advertising campaign that would help them reach their potential consumers in the farthest corners of our country. Which advertising agency is it more likely to turn to - located only in Moscow or represented in different regions?

The answer is obvious, especially since this company will have to take into account the peculiarities of each corner of Russia. Residents of St. Petersburg think somewhat differently than people in the North Caucasus or, say, the Far East, Muscovites spend more than people from the regions, and so on. Somewhere people buy based on expediency, and for some people the aesthetic beauty of the product is more important... And when you have "your own team" in each region, clients will know exactly which place is better to choose for a representative office in terms of customer flow or where to place a billboard. A local employee will be able to communicate with the customer in person, in a language he or she understands, get feedback and establish a strong relationship faster. That's great! Spoiler: yes... but only on paper.

So, let's go back to 2010. The first two attempts to organize a branch in St. Petersburg were unsuccessful. The plan was as follows: we find a suitable specialist in St. Petersburg, he comes to our head office in Moscow, is trained in the minimum necessary competencies, learns the

peculiarities and principles of work in our company. And then he returns to St. Petersburg, rents an office if necessary, and begins to process the incoming flow of clients. We, in turn, advertise the new branch and redirect calls from those wishing to receive our services in the Northern Capital to it.

A perfect plan, if you think about it. What could have gone wrong?

**Lesson one: don't measure the competence of others by yourself.**

Put me in the bathroom, just give me a telephone and access to the Internet, and that's it, calls and orders will flow, and money will flow with them. But, unfortunately, not all people are so organized. Summarizing the results of a month of work of a new branch, we found that the person on the spot clearly failed to cope with the tasks. We gave him the promised salary and said goodbye.

We found a new director. A month later, a client calls, who was looking for an advertising agency in St. Petersburg to place ads in print publications, one of which was the newspaper "Center Plus". Our branch director, instead of acting as a full-fledged intermediary and minimizing the interaction between the client and the contractor, sent him... directly to this very "Center Plus". The customer was annoyed: he had turned to an advertising agency to get both the service of placement on several advertising platforms and competent positioning in one place. Not to call managers of dozens of newspapers and magazines independently, but to work with one person who would solve all the issues!

I listened to the client's claims, thanked him, hung up the phone and went to the train station. I bought a ticket to St. Petersburg. I came to the branch and personally fired the director. At the same time I found out that at the end of thirty days of probationary period he had made only one sale for 70 dollars. Not only that: that director had hired managers who were absolutely illiterate in Russian. Would you want to cooperate with people who make a mistake in literally every word? Rhetorical question.

Of course, I asked the employee (at that moment already former) what was the reason for such an irresponsible approach to his duties. His answer could well be published in a separate book called "Encyclopedia of Excuses". Although personally I am sure that if a person persistently fails to fulfill his direct job duties, there can be only three reasons:

- he's an incompetent employee,
- he's an outright pest,
- he is an excellent specialist and an honest worker, he is simply not in his place. Most likely, he is just in the wrong team, in the wrong position or in the wrong organization.

In short, that director was the only employee in fifteen years of my business practice who was not paid. And no "two weeks": I simply asked him to leave immediately. I think he deserved it. All the more so because in the course of working with thousands of customers, we have noticed that about 2% of customers are ready to buy a product or service as soon as they see the offer. That is, if, for example, you give people the opportunity to make their own invoices on your site, then out of a hundred visitors, two will take advantage of this, paying immediately. This means that at least two sales out of a possible hundred will happen without the

manager's involvement. But the head of the branch in St. Petersburg did not even do this!

Don't get me wrong, I'm not complaining - things happen in business. I just want you to feel our attitude to business. Medor" staff has never tolerated such "passengers" and will not tolerate them in the future.

And if the director did not actually work, what kind of salary can we talk about? It's simple: if there is a result, there is money. No result - well, you know... You can't consider one single transaction for a symbolic sum as the result of work of the whole branch for a month, can you?

As a result, we started looking for a new, third director. Having moved to St. Petersburg, I personally conducted the interviews, getting fully involved in the process. The ideal candidate for that position in our mind was as follows: a person with experience in advertising, who had already achieved certain results in the industry. Plus, he had previously held the position of a project, agency or publication manager (I described the conditions under which the interview of the potential director took place in the beginning of the book).

Two people were suitable for the position based on their competencies. We chose one of them... and everything seemed to be fine, but after a while it turned out that we had made another mistake. Although it seemed that the new branch director was a deeply believing Christian, engaged in charity work. Decent, honest, and hardworking... could such a church-going man turn out to be a slacker, a cheat, or a pest?

You want another spoiler?

I'll bet you're already guessing. Long story short, it went like this. As it turns out later, people who are fanatically devoted to a religion have their own quirks. For example, some of them divide others on the principle of

"one's own - another's". And if anything is not according to the dogma of their religion, you are a stranger. This is not conducive to a productive work process, believe me.

I didn't notice it at first. And imagine my surprise when I was informed that the director of the office in St. Petersburg regularly lectured the employees on religion, meddled in their personal affairs that had nothing to do with work, thus violating the personal boundaries of the team members (apparently he did not remember the Christian principle "judge not, lest ye be judged").

"Marina, why do you spend so much time with Vasily, he is married! Does his wife know about it?" - these were the kind of phrases people heard from him every day.

Not only that - he made it a rule to hire only those who were officially married. In my opinion, that's just unprofessional. Why do you care who lives/sleeps/dates with whom? There are different people working in our Moscow office. Who sees whom, how and in what places my employees spend their weekends is none of my business. The main thing is that on Monday they should all be at their workplaces in a cheerful mood and perform their duties perfectly. That's it!

It wasn't the principal's moralizing that was the main problem, though. I was betting on the fact that satisfied St. Petersburg clients would eventually cooperate with the main office in Moscow, but it didn't happen. The idea was for the top customers to sort of rise from the regional level to the central office, but it turned out differently. The St. Petersburg branch turned into a separate "feudal principality": they say that we are Peter and you are Moscow, you do it this way and we do it differently.



This is certainly not the way it should be. It's time to sort things out again and correct the situation manually. It was also bloody (the farewell was particularly difficult), but for all the mistakes of creating and launching an office in the Northern Capital, we nevertheless gained valuable experience. Over eight and a half years, the St. Petersburg branch did bring in some income, the employees developed new competencies, and acquired their own client base.

Now the office in St. Petersburg works in franchise format and brings in more money than the "independent branch" it used to be. At the same time, we have no problems with directors and no reputational losses - everything has gotten better. Albeit at great cost, but the main thing is that there is a result.

Surprisingly, with the transition to partnership relations, I no longer have the feeling that the St. Petersburg and Moscow offices are separate feudal principalities. I am not worried that we will be "thrown away", left to float free with the team and the clients. That is why franchising, in my opinion, is a convenient system of business development. This practice of expanding our advertising agency is definitely worth continuing.

At this point, I would like to pass the floor to the person who worked for us as our franchising director.

**Oleg Kruglov, a former employee of Medor, is now a successful entrepreneur:**

*"I already had quite a lot of experience in franchising when one day I came across a website with advertisements, and there I learned about a vacancy at Medor. True, it turned out that there were enough other responsibilities besides franchising.*

*In any case, I learned that companies can be set up far differently than I've been used to seeing over the years. At Medor, there is a complete lack of intrigue, where people suck up to each other, someone loses their job because of it, even though they have a family to feed and a mortgage to pay. This was very impressive and spoke about the fact that the team is healthy. You can get a desired position or a new work direction thanks to your knowledge and competencies, and it has nothing to do with how many people you "trample over" for the sake of it.*

*When entering the subculture of the Medor Agency, a person should realize that he or she has been accepted into the so-called "big family" in order to develop. And the employee's development vector will always coincide with the company's development vector. In Medor there are no restrictions, the agency does not build barriers, on the contrary, it moves in all directions that bring income and develop competencies. That is, the company is very innovative in terms of human resources management. Although one should not mistake this freedom for chaos and politeness for weakness.....*

I will tell you more about how the work with franchise buyers (i.e. the so-called franchisees) is organized. A lot of interesting things await you there too.

### **Business in the Sochi way**

After opening a branch in St. Petersburg, we thought about promoting in Nizhny Novgorod - a "pocket of Russia" after all. To make the final decision, I interviewed the staff. Although I myself have always believed that relying on the opinion of some individual people (who are not even experts) is not even yesterday's day, but the Stone Age. Some

of our clients sin by saying that my chief accountant (friend, classmate, mother) advised me to choose such and such a promotion channel. We show them figures, analytics, coverage, cases, and in response we hear:

- On the New Riga is a gorgeous TV screen. Here on it my advertising should be given! And that's it!

Or even:

- I want the same advertisement for my plumbing as in the village where I bought the land!

And what do you do with such people? I don't know. The fact is that I myself briefly became such - always believed in the team and decided to make a collegial decision. I didn't have figures and analytics at my fingertips, so instead of looking for them, I consulted my employees.

An employee of the accounting department who came from Nizhny Novgorod said:

- This is a depressed region! There is nothing to catch there.

Taking her word for it, I cooled down towards Nizhny Novgorod and got a new idea: Sochi! Not only was it warm there, but at that time preparations for the Olympics were underway, and the government was investing huge sums of money in the region. But... the question immediately arose: what then, when the sporting holiday was over? And while it was possible to more or less predict how business would develop in St. Petersburg or another major city, nothing was clear about Sochi, because it was nowhere near the capital.

We needed objective and up-to-date information to understand whether it was worth expanding business in this direction.

By the way, I can recommend you an inexpensive way to scout the situation in a new region. I marked a point on the map on my website, signed: "I opened a branch in Sochi", got a Sochi city phone number, forwarded it to my cell phone, advertised it and started catching calls. I answered myself, recorded every conversation, analyzed it. In other words, he completely found out the needs of customers in that region. Following our script, he asked what advertising campaigns had already been conducted (and why they were stopped), what customers were waiting for the result, and so on. Then eventually I traveled to Sochi myself, met with one of the clients... And what conclusions did I come to?

The advertising market, of course, in Sochi there is, but our managers at that time would not have been able to build relationships with clients there - too demanding these people. For example, in Moscow, many customers want to receive all services "turnkey", and they do not care that some of the work can be done somewhat cheaper by another contractor. On the contrary, Muscovites agree to pay 15% above the average price, just to find everything they need in one place. In Sochi, it's the opposite! At that time, the vast majority of clients were fighting for every 20 dollars, constantly looking for where it was cheaper, and haggling hard.

Maybe this is the right approach if we are talking about a specific product. But we are selling services! What is the fundamental difference: the goods will not sell cheaper than the cost price - because it is clearly defined. But in the case of services, in many cases, the bottom line of the price is not clearly defined. There is always someone who does approximately the same thing for less money.

However, I have the impression that it will not be easy to get even the smallest sum from Sochi residents (sorry, natives and residents of this

beautiful city, if you are reading these lines). In business communication with them, it is difficult to escape the very unmistakable feeling: "They are trying to fool me!"

In Moscow, we do business with some clients in the following way: "If you don't like something, you don't have to pay!"

What is characteristic: the cases when the result does not suit a Moscow customer are very rare. That is, in fact, no one has ever used this opportunity. We have not had any unpaid invoices in Moscow.

But in Sochi, as it seemed to me at the time, clients operate on a different principle: "If I really, really like it, I will pay, but otherwise don't expect any money!".

I realized that when we opened a branch in Sochi, we would quickly get bogged down in endless litigation and beating money out of both clients and performers.

To be fair: some Sochi residents, with whom I was able to talk, had already asked for an invoice for advertising services and were ready to pay it. I explained it to them:

- We are not yet working with Sochi - we are only conducting preliminary market research. When we have news, we will announce it separately.

After all, we can't just take and invest three million in a new branch in a region unknown to us, fly to Sochi regularly to monitor the work of our representative office and then find out that it is unprofitable! We would have lost both money and time - our own, our clients' and the local staff we hired. It is much better to talk to twenty potential customers for 20-40 minutes, to understand whether we should enter this region, and then

make a final decision: to invest money or not. So I made my decision - we are not going to Sochi.

I apologized to my telephone interlocutors and asked them to understand me, because they themselves, as entrepreneurs, would hardly throw themselves into an uncharted maelstrom.

And even though some of the failed clients in Sochi were indignant - you bet, we communicated, but the result was nil! - We are still practicing the "pre-exploration approach". It can be applied not only in our field, but also in any other field. Let's say you want to set up a business selling certain goods: buy, well, let's say, tourist equipment in China and sell it in Russia. I advise you to create a simple site, hang on it an ad for the sale of backpacks and kettles - that is, to give a little advertising. When (and if) people start calling you, wanting to buy the proposed products, explain to them that at the moment they are out of stock. Apologize for wasting your customers' time, and recommend where they can buy similar backpacks and other items (or, if you've already decided you're still starting up, offer to put them on a waiting list). This is how you research the market. Believe me: it's better than investing money blindly, and then, stepping over a pile of bowler hats and hatchets that filled the office, tearing your hair out that it didn't work out.

By the way, if you will be in Sochi, pay attention to how many unfinished buildings there are, left by entrepreneurs who went into the water without knowing the wade....

So, the experiment showed that Sochi is still a difficult region for us. We would have to travel there frequently, constantly monitor the branch and delve into every transaction. The clients there are dodgy, and their

approach of "buying cheap and squeezing the last juices out of the supplier" did not suit us.

So we didn't open a branch in that city. Instead, we ended up with something else...

### **It's easier to buy than to steal**

How do you know if your company is successful?

Fraudsters are acting on your behalf, competitors are trying to steal technology.

In 2014, our website was completely copied. Twice. There appeared regional, so to speak, "Medors" that have nothing to do with us. And under the guise of our agency, they started selling services (of course, no one was going to work out contracts). Clients deceived by fraudsters called us:

- I paid your Lviv representatives. Now they do not contact me. Fulfill the order or return the money!

And we had to explain that we do not have and have never had a branch in Ukraine.

At first, of course, this, of course, a little bit pleased my ego: that's how cool we are, that they copy us! Soon there was only irritation: yes, bitch, what is it! Fame is good, but why the hell is someone using our signboard and reputation for their own enrichment without permission? All this eventually hits us!

For comparison, here is another situation. At some point other advertising agencies began to show interest in us. Their owners asked me personally for advice on building and running their businesses. For example, they were interested in

- how to build a distribution department and a motivation system for the sales department?

- What to do if people in shoulder straps suddenly come to the head office?

- how to react to tax inspections?

- why advertising in general does not work?

In general, standard questions of entrepreneurs. That is, the person called and without offense said:

- Sorry, I am your competitor, I like the way you do business, and I want to learn how to do business from you.

I think this strategy is more honest than if he had tried to steal our work. For example, he would have come for an interview, lied that he was an effective employee, we would have hired him... After that he would have copied our entire knowledge base in a month or two and, happy, would have run to screw it to his business.

I'll tell you a secret: **to steal a business strategy, you need to put a lot of effort into it.** That's why it's more profitable to buy consultations from specialists. Many people realized this and turned to me for this kind of help.

In short, after thinking it over, we decided to allow everyone to legally work under the Medor sign. That is, we started offering franchises of our agency for a small fee. The idea was to give buyers access to the gigantic knowledge base that we build and keep up to date. How and where to look for sales managers, what are the criteria for their selection, examples of test jobs, scripts and conversions along the sales funnel, and even the form of application to couriers and much more, we collected in a separate



repository. And now all this information could be openly and legally purchased to quietly apply it to develop your business.

We detailed our commercial offer, what exactly the franchisee receives when paying for it: our business model, the technologies we use, and so on. We recorded a YouTube video on how to join the franchise. We gave an advertisement with a link to the section of our website where all the materials, including the video, are located. And if the guest is interested in the offer, he can ask additional questions.

And there were a lot of questions! We collected them, prepared answers, and structured them, thus forming a knowledge base - for ourselves as well. All this valuable fund is very useful when "new recruits" come to the agency and it is necessary to quickly introduce them to their positions and familiarize them with the specifics of their work. Both managers and employees can find in this database all the necessary information about our agency's business processes. Convenient!

As a result, entrepreneurs from different cities began to contact us to become representatives of the agency "Medor". There were more and more people who wanted to work with us, and at some point it became clear that it was no longer profitable to work with them for a small price. Therefore, we raised the monthly payments of the representative offices (not very much - up to 1500 dollars). At the same time, for those partners who managed to enter the program on the initial terms, we kept the same, low level of payments to us.

Thus we have new points on the map: Magnitogorsk, Chelyabinsk, Vladivostok.... At the same time, 18 representative offices worked on the franchise at its peak.

Of course, without conflicts with partners did not do without. Some entrepreneurs took the position: "I pay you, and you provide us with a working business". But we were not going to provide additional service at a loss to ourselves. And frankly speaking, providing franchises was more to pad our ego than to increase our income. For profit growth, it was such a bad idea.

Earlier we had an ambitious idea: to open branches in all 85 regions of Russia, as well as in the CIS countries, and then in key cities around the world. In total, according to our plan, there were to be 200 Medor Agency outlets around the globe, which would eventually become a network of friendly companies and help each other in their own regions.

For example, some Dr. Levin from the USA decides to enter the Russian market. He is looking for someone to entrust with advertising support for his business and sees: "Wow! Medor has offices in New York, Warsaw, and Moscow. Of course, I will go to them. Russian franchisees could tell us about themselves, each in their own region. And we will tell them exactly where to place themselves so that the whole city can see the client's advertising - on what billboards, TV channels, etc. Or maybe it would be more effective to draw graffiti on some popular "spot" where the whole city hangs out? Taking into account all the "local nuances" increases the "output" of advertising and, accordingly, customer satisfaction.

Well? Is that a good idea? Not a damn thing... (at least not yet).

So why did this brilliant idea - to open 200 offices - fail to materialize? Our strategic mistake was that we set the franchise fee too low. We have repeatedly noticed that when people pay pennies for a product or service,

they treat it irresponsibly. Then the customer's demands grow, and next time they ask for more for even less money!

To put it simply, at some point it became clear that there was no porridge to be made here. The dream of world domination by Medor Corporation had to be put on hold. Who knows, maybe we'll come back to it later.

Anyway, we're still selling the franchise. What does its buyer get?

First, the right to use the Medor trademark. But he, as our official representative, must abide by four rules:

- No cheating customers,
- no cheating employees,
- no cheating contractors,
- and lastly, stay in touch, answer calls and requests.

If these rules are violated, we, without compensating anything, part ways. That is, as soon as any "hustling" occurs, we say, "Goodbye". Because reputational risks are much more important than any money. "Take your honor before your time," as a famous literary hero used to say.

Yes, we have repeatedly encountered the situation: a client calls a representative office, but they do not pick up the phone and do not call back. Then the person puts not only the regional branch of our company, but also the whole Medor as such on his personal blacklist and never contacts any of our offices again. That is, the negative image of one of the branches spreads like a virus through the organism to the entire network and ruins the image of the company as a whole.

It is easy to find out about violations of franchise conditions: clients periodically complain to the head office, and we ourselves monitor the quality of the network's work. If the quality of work does not meet our corporate criteria, then it is time to say goodbye to such a "subscriber". That's the whole focus. Now we are quite satisfied with the interaction with franchisees and see their respectful attitude towards us as partners. These people really understand what they are paying royalties for.

In any case, the main conclusion that can be drawn from this story is that nowadays business is less about an office that is intentionally tied to a point on a map. It's primarily about the website and the technology used. More and more information is in cloud storage, projects are successfully run by outsourced teams. As a result, internet giants like Facebook can have a sales team located anywhere in the world. The main thing is to keep employees, customers and contractors happy!

## **Chapter 4. Money, money, make money**

### **A miser pays twice**

Let me tell you a cautionary tale. We once cooperated with Sergey and his developer company, which later went bankrupt (according to the official version) in 2016. But at that time it was a very successful organization.

I looked at Sergey and his business partner, marveling: they seem like very young guys, but they are running such a powerful business! Sergey himself was richer than I was twenty times richer, he came to every business meeting in a new cool "car" or an expensive motorcycle. But he

himself was devoid of any ponces. He talked to us "in a simple way," as if we had grown up in the same yard. He was tall, shouldering, athletic... With his whole appearance he disposes people to himself.

In general, we worked with Sergei to such an extent that we began to place his advertisements for 35,000 dollars a week in the press alone.

One day I called him and said:

- Sergei, I will not put your ads this week.
- What are you doing? Why?
- You know, I don't like the layouts.
- So what?! I like them!
- Do you realize you're not getting a return?!

To make you understand: we worked with him on an open commission of 15%, that is, we beat out the best terms for his company and got our share. That is, I was turning Sergei down at a loss!

He:

- What are you thinking about yourself?

Я:

- Believe me, I've been in advertising for a long time! I'd rather put the brakes on this story for a week, two weeks, and we'll make a good quality product.

In the end, Sergey gave the design of the layouts to Artemy Lebedev's studio and paid them three times more than we would have asked for.

Of course, I explained to him that his company was our most important client, because it brings half of the total financial turnover of our agency (yes, it was like that at that time). So what? At that time it was like that, I was aware of that.

I said it straight:

- Seryozha, we are practically praying for you. You are a business-creating client for us, the one and only! And for Lebedev - one in a thousand.

To which I received this response:

- You see, **when you buy the most expensive, you get above-average quality**. My car costs sixteen million, and it is much better than any ordinary car.

And I memorized this rule. Later on, I was convinced many times that it works. So yes - a strong argument to refuse to cooperate with us in favor of a cooler organization. It was really true back then.

My mother used to repeat to me as a child the phrase attributed to Rothschild: "**We are not rich enough to buy cheap things**". And indeed, if you choose an expensive product, at least it is guaranteed not to be low-grade. It's not the easiest logic, and as you can see, I didn't get to it right away. But the years that have passed since that conversation show: buying only high-end goods and services makes sense, definitely.

I also realized that following this rule saves time. For example, I come to a restaurant to have dinner and see on the menu salads with a price range from 2 to 10 dollars. Which one should I order? Of course, the most expensive one. Why waste time on the choice, if the salad for 10

dollars in any case will be delicious and for sure I will like it? But a dish two or three times cheaper can be disappointing.

I can honestly say: the axiom "A miser pays twice" has never failed me in any situation. When I need a new phone, I buy the most modern and expensive model, because it will 100% meet all my expectations and will last a long time. Of course, there is a possibility that I can get the same quality by buying another model for less money. But for that I will have to study the specifications, read reviews, comparisons and testimonials for a long time... as if I have nothing else to do. After digging through a lot of information, of course, I will become an expert in the field of cell phones, but why? I'd rather spend that time on working tasks (and earn more money).

The same goes for buying a car. I just choose the maximum equipment and don't worry about it. Maybe I will never use some "tricks" and will overpay somewhere, but I will save a lot of time and effort on market research and will be satisfied with a high degree of probability.

What is the point of all this? Let me tell you - the principle is based on this rule: **pay Medor employees above market wages**. How else will we get good specialists?

Of course, there are different approaches to motivating employees. Ours is based on honesty. It is written in black and white in the company's charter that the business was created for the purpose of making profit, enriching the founders and beneficiaries. Everything is simple and honest. There are no words like "we want to change the world" or "make people happier" - the things that some billionaire businessmen try to bribe their employees with. And it turns out that people work hard for an idea, while getting pennies. Some people like it, but I don't like this approach.

There are also companies that lure potential employees with their appearance. They have a cool designer office in a class "A" business center. Literally, "you can see Red Square from our window"! And I agree, there are organizations that really change the world - they employ brilliant scientists, and help them true fans of their work. There are also companies that are a gathering of friends. All issues are solved there over a bottle of red or white... A lot of different things happen.....

We say: "Guys, our goal is big money, and it's cool." We are not talking about breaking laws, moral or state laws. I am sure that it is possible to earn good money without any "trickery". The example of our business proves this.

In general, we work purely for profit and we do not hide it from clients, contractors or future employees. The better advertising we do, the more our customers pay us. They, satisfied with the high service, become our regular customers, tell their market colleagues and acquaintances about us, and bring us new customers. It's a very simple logic.

Our client portfolio is growing due to the fact that marketers who are satisfied with cooperation with us continue to apply for complex advertising services, changing their places of work. At the same time, their former employers also continue to work with us. At the same time, our expertise in client products is also growing.

For example, an employee of the marketing department of one of our clients worked at Domino's Pizza and then moved to Dodo Pizza. Thus, we got two regulars instead of one. On the one hand, the person from Dodo Pizza who was loyal to us continued to order advertising from us. And on the other hand, a new employee came to Domino's Pizza in his place, who did not reinvent the wheel and, like his predecessor, also



started working with us. And in general, to always be in good relations with everyone with whom we managed to establish them is another of our principles. This also applies to employees who have left us.

We motivate our employees and clients not with some phantom ideas to change the world, but with honesty, a clear goal, concrete results and a great reward system for the team. And if you have left for free floating - let's become partners and continue earning together!

### **Medor's all-star team**

What is a potential employee of our company like? In a nutshell: honest, not prone to intrigue, motivated for results. **He loves money, but remains 100% decent.**

It's important not to cross a fine line here. Some people are so hungry for profits that they are willing to sacrifice the quality of products and customer service for their sake, play games of subterfuge and deceive their employers. Such people do not stay in our team for long, even if they get there by chance. And on the contrary, people who aim for results in the long run always end up winning themselves.

**Oleg Kruglov, a former employee of the Medor agency, is now an entrepreneur:**

*I agree with this thought. If you take some initiative, you should be kind enough to take responsibility for the result. If you failed - I apologize, it means that you did not prepare for this issue. But again, failure is not followed by incomprehensible criticism or punitive sanctions. Oleg Krutko always entered the situation, understood the person, gave him the opportunity to correct and eliminate the deficiency. From this point of view,*

*his influence as a manager on the life of the agency is very correct and effective. I manage my employees and crews in the same way.*

*Now I have a small agency, which takes subcontracts for various kinds of decorative design of premises. Accordingly, there are corporate clients with special, specific, premium requirements, and there are ordinary customers with simple requests. In the first case, we work according to the project, submit serious documentation. But individual customers usually send an approximate image of what they want to see: for example, a drawing of a decorative coating. And we realize it.*

In the situation with Oleg Kruglov, I am still offended by the way things happened. I went along with the laborers who didn't care much and didn't want to take responsibility for their mistakes. They could spoil the materials or do something completely different from what the customer wanted. I treated it calmly: the guys made a mistake - well and okay, screwed up the material for 200 or even 1000 dollars - well, to hell with it, who does not make mistakes! He was very, very kind. Oleg Kruglov used to say that all lazy people should be chased away with a broom and conscientious people should be hired.

I made a mistake, distributing employees on the principle of "friend - foe". That is, I have known you for three years, you are good, and you - only three months, let's see what you will get out of you. That's why I trusted my employees more than Oleg Kruglov, who had only recently joined us.

Oleg demanded high quality of realization, it was absolutely the right position. I did not step into his shoes at the time, I did not show proper

support when he was saying: "You have to fire this one, you have to fire that one, they are, to put it mildly, slackers and pests!"

**Oleg Kruglov:**

*Well, in any case, good is what ends well. My work in the Medor agency for a while turned into a partnership with the agency. I saw a suitable niche for myself in that I myself mount my own products, which I produce, because many performers did it poorly. I found employees whom I taught everything, got the required quality of work performance from them, and the cycle closed: from the accepted order and design project development to its physical realization on the object.*

*For the year 2021 I am working, to a greater extent, with countryside real estate, thanks to the tendency of people in the pandemic to move to villages and dachas. I discovered that countryside construction is a very interesting niche that is basically unoccupied or under-occupied by low-quality performers. One of the areas that I am involved in is the development of housing according to the "smart home" system. Starting from sewerage and ending with the generation of electricity, completely autonomous from power grids. We put solar panels, wind turbines, systems for processing water from dirty to clean water in a closed cycle. And all these processes can be controlled by a person with the help of one button on a smartphone.*

*These services are already on the market, but in a fragmented form, specialists and standards are different everywhere. By combining them into one package, into a single product, we get a good, expensive, premium offer. It is individual, costly in terms of effort and specialists, requiring increased attention, but the margin is very interesting.*

Yes, those who enjoy what they do come to us. And also, let's face it, from making money. The main thing is that our people always work to the maximum - with full commitment.

For example, our star manager Tamara, who moved to Moscow from Vorkuta with her three children. In the capital she faced a serious problem: where and how to earn enough money to rent a place to live and feed her children, one of whom also has cerebral palsy?

And for the sake of her family, Tamara began to work from morning till night. Now she is managing million-dollar contracts, she has a favorite man, whom she met, by the way, in our company. Tamara now has four children.

This is what happens when a talented, hard-working - in a word, ideal in every respect - employee finds himself in a company that meets his needs and allows him to realize his full potential!

**Tamara Gayeva, Head of Business Unit, employee of Medor since 2010:**

*One day I realized that I had nowhere to grow in my small town. I'm suffocating! I wanted to develop, to fly. On one website I saw the vacancies I needed, and with them - and opportunities for the realization of my huge ambitions. I sent Oleg Krutko a resume, then called him myself and convinced him to meet me. I took the train, arrived in Moscow, and came straight from the station - here, to Medor!*

*At first it was difficult to understand what was going on here at all. But I coped with one and a second project. I got acquainted with the guys, and they started to give me tips. And so it went on - I'm still here and I don't intend to leave!*

As mentioned above, our account managers do not receive a percentage of sales, but actually a share in the company. They earn up to 30% of the margin. The rest goes to the formation of the payroll, taxes, office rent, advertising, promotion, and so on. **We pay people exactly what they deserve, in fact, we give them the opportunity to earn without restrictions.** As a result, they are satisfied, motivated and ready to work for Medora for ten years in a row and twenty. And in fact - not even for the company, but for yourself, but with our help.

In order not to be unfounded, I will again ask my comrades-in-arms to speak out, thanks to whom Medora is still in the top and continues to grow, conquering new directions. In general, yes: business is, in a sense, a war. Here, everyone, as on the battlefield, fulfills his function and fights for the sake of a common victory. It is very important to feel the reliable shoulder of your brave and honest colleague next to you!

**Elena Regida, Account Manager, Medor employee since 2016:**

*Are you interested in the field in which you work? Do you like that the salary depends on you personally? Are you not afraid of difficulties, temporary subsidence of income? Then you will succeed in Medora.*

*Also, of course, it is important to believe in yourself, in your strength, otherwise one day you will have to look for a new job.*

*But how to believe in yourself? Do not compare yourself with anyone. Do not assume that if someone does something better than you, it means that he is good, and you are bad.*

*And also, it seems to me, the secret lies in the love of my work. Even if you do at least something minimal, in any case you will come to a result, albeit small at first. At least you will succeed. Only those who do nothing*

*at all do not achieve any success. Which is exactly what happens if you are not interested in your work.*

*And if you like it, and you are moving in a certain direction, then you will definitely come to something significant. I repeat: do not compare yourself with anyone, because this is only your path.*

**Alena Marinina, Head of Sales Department, Medor employee since 2007:**

*I agree with Elena, believing in yourself is important. I joined the company in 2007. At the interview, Oleg Krutko said bluntly: "We only need powerful "sold". You have three calls, make two sales, I'll take you," and handed me the phone. I did it!*

*And in the second month of work, I was able to carry out a very large project, thanks to which my salary eventually became six figures (if in rubles). This success gave a great impetus to development - and I decided for myself that I was definitely staying. I bought a good car for the award.*

*Medora has several sales departments. And we are rather friends, because I think it's stupid to compete with each other. We do one thing and must help each other in all situations, both personal and work. Friendships are more valuable than any money. This is because mutual assistance and mutual assistance is beneficial for the company.*

*For example, we have departments that specialize in something specific: in the production of stands, printing, advertising in the media, etc. If we do a complex project for a large client, then we connect a manager from another department to our working group who has information better than we do. For example, if you need a cool stand or high-quality printing.*

*Of course, we give the manager a bonus for participating in the project - this is correct.*

*As a result, everyone is happy: someone gets money, someone gets experience. And the company wins because it copes with a complex project that requires a special level of quality. And the client is happy: he got what he wanted, in perfect shape, on time and with high quality.*

As you remember, I myself once experienced situations when the employer deceived me and did not give my honestly earned money. Therefore, at the start of the business, I promised myself that I would not do this to employees in my own company. No matter how hard and difficult it is, no matter how great projects we aim at, we will always pay people the reward they deserve. This is our credo.

### **Where's my million?**

The creation of a motivation system based on interest on transactions was prompted by the mistakes that we initially made when assigning salaries.

It all started with the fact that we hired people based only on the impression received at the interview. And it happened that potential employees, as it were, rubbed themselves into our trust and literally "bred" us for high wages. For example, they immediately asked for a very high salary, but they were not particularly interested in interest and bonuses, and it happened that we agreed - sensible specialists were urgently needed, and people skillfully convinced that it was them.

The experience of cooperation with the head of our online store turned out to be sad, which resulted in a drawdown in the project's profit from \$ 100,000 at the start to minus \$ 40,000 at the end. Simply put, the online store began to bring real losses.

Now we realize that the problem was not that the employee turned out to be a bad leader, but his motivation. A person worked purely for a salary, hired people, but did not track business performance. Why, if his salary is already guaranteed?

The solution was suggested by my neighbor, who once told me that large companies do not have salaries of \$ 3000 or more. They set an acceptable salary for employees, and the rest of the allowances are paid for the implementation of KPIs (Key Performance Indicator - a key indicator of achieving goals). **That is, how much a person does, so much he will receive.**

I already had a similar idea, and after a conversation with a colleague, it finally took shape. And we decided to introduce such a scheme in our "Medor".

Our employees, current and former, speak very positively about this system. In order not to be unfounded, I will give the floor to one of them: the best manager of Medor, who has achieved the maximum indicators in terms of revenue and salary - Vladimir Cherkasov. He reached the level of head of the digital communication department, lectured at RIA Novosti, working at Medor.

**Vladimir Cherkasov, an employee of the Medor agency from 2008 to 2015, is currently a co-founder of the Pleasantly (<https://pleasant.com>) group of companies, which includes a décor studio, an author's events studio, an online store and a network of gift salons:**

*The School of Life, the School of Business... A place where you can develop, rise, earn money, if you want it, of course. A place that helps you*



*understand what kind of person you are - strong or weak, and how you can show your capabilities. That's what Medora is.*

*I got here, one might say, by accident. Prior to that, I worked in consulting for a long time, received \$ 1000 there, and decided to try myself in advertising as well. I came on an ad and ... In the first month, I earned 200 bucks. A good career? So far, not very...*

*But I'm stubborn in life, so I decided: "I will stay and achieve everything." I tried to achieve it for three years, until I finally understood all the nuances and began to actively increase sales. I suggested that Oleg take up the direction of "Reputation Management on the Internet and Social Networks". At that time, few people were interested, no one really wanted to advance in this area. Oleg also said: "This is stupidity, no one really needs it. There are advertisements at bus stops, billboards - that's what you sell.*

*As a result, I still sold and organized high-quality promotion on social networks for the DV company, this is German cosmetics. He showed the result to Oleg, demonstrated marginality. He said, "Cool!" and I continued to develop this direction.*

*In general, any organization has stages of development: rise, fall, stabilization. I was in a period when the agency was on a sharp rise, and I felt part of this movement. When I first arrived, at five o'clock in the evening, everyone was playing Counter-Strike and Quake III Arena and was not thinking about anything else. And when he quit, the agency already had a network of franchisees in Russia, a branch in St. Petersburg, large projects, more than seventy employees. Here it is - the dynamics of the company's evolution. And this, first of all, is the merit of the team.*

Now I'll tell you how we rebuilt the hiring system. First, of course, we conduct an interview. We look at how a person looks, how he speaks, how he wrote a resume. If, according to preliminary criteria, he is suitable, then he will have to work for several test days (we advise him not to quit his previous job yet). This short probationary period is also paid.

If the applicant likes everything and we are satisfied with his work, we will assign him a fixed salary. And for the remainder, together with the candidate, we draw up a KPI system - a list of goals that he will achieve in the future.

That is, a person comes to Medora with a desire to work for \$ 10,000 a month. You are welcome! We will allocate some part of the salary, but earn the main money yourself, with interest on transactions. If you really want it, of course. It immediately becomes clear who is a man of action, and who will clearly not go further than abstract phrases.

There are candidates who do not like this system, they say:

- I have a high level of expenses. \$5000 a month is the minimum wage for me!

We don't mind:

- Write a detailed plan of what exactly you are going to do for this money. As soon as you fulfill the indicators you have set, we will be happy to pay you the desired amount.

Now let's talk about how KPIs are set for existing employees.

For example, an IT specialist sets the task of automating the work of the accounting department. He indicates the period for which he will achieve the result, describes his actions point by point, and we agree on the amount of the bonus: for example, \$ 2500. At the same time,

**remuneration is paid only when the task is completed in full.** In rare cases, the payment of the bonus can be divided into stages: for example, accounting automation can be divided into 5 blocks of \$ 500 for each of the technical tasks. But usually there is no intermediate premium. We need the end result!

Of course, sometimes there is a conflict of interest: when an employee has completed only half of the work in a given period and, accordingly, requires half of the promised money. He, of course, did well that he did at least something, but ... Who will finish the other half? We in the company need people who adequately assess the timing of the implementation of their plans and fit into them. And if something goes wrong - be kind, report it to your superiors as soon as possible, do not be silent! Agree: when the manager learns about the mistake of his employee from a third person - a client or contractor, the situation turns out to be bad.

By the way, when I worked as a sales manager myself, customers often tipped me in excess of the price list. Let's say the ad cost \$1,000 and the customer threw me another \$150. And not just like that, but for good work, for high customer service - I always warned him in time if suddenly the advertisement for one reason or another did not come out on time. The client did not have to sit at the phone for two days waiting for calls with orders - and wonder why they are not there. Simply put, the bonus was for the human attitude and the principle of working for the long haul.

Or, sometimes, I discovered that the newspaper indicated the wrong phone number, confused the rubric, or even did not put our ad at all - then the first thing, again, reported everything to the client. He admitted that this is my "jamb", my fault, and I will pay for it out of my own pocket, and

as compensation - the next placement at our expense. That is, he honestly admitted his mistakes. This is appreciated by people, such an attitude, unfortunately, is quite rare to meet.

So I was convinced by my own example: the one who does his job efficiently and honestly will not be left without money. Therefore, I have every right to demand the same from my employees. Fortunately, they never argue with me on this issue.

**Evgeny Vorobyov, a former employee of Medor, now a successful entrepreneur:**

*I don't know a single person who would say that this company threw him, did not pay his salary, or did something else wrong. So the main thing that I remember about Medora is the human attitude towards employees.*

*An important point: if we take the "Medorov" chain of career development, then it often happened like this. People came, gained experience. Then some left and built their own companies. With varying degrees of success, but nonetheless. And then... Everything was repeated - the employees of the already created businesses went into free swimming! The same thing happened with my business (perhaps karma worked): one of our employees quit and opened her own company, now she is also engaged in exhibition equipment, trying to compete with us. Let's see what happens. I don't hold grudges, on the contrary - I wonder what will come of all this!*

*By the way, everyone who left Medor, parted with Oleg Krutko and other employees in a friendly way. No burned bridges! Strong camaraderie was maintained. Moreover, everyone with whom I periodically collaborate is somehow connected with the Medor agency and left its walls either in my time or a little later.*

## **Leaflets for the President**

Remember the old school of salespeople, brought up on outgoing calls? Such people, striking perseverance and perseverance, probably, can no longer be found. They simply opened the "Yellow Pages" and "Hand to Hand" (there were such telephone directories with information about enterprises and organizations) and stubbornly called all companies in a row, offering them goods or services. Since firms advertise, it means that they have money, is it logical?

If the cold call department received an incoming application, the sale was made instantly, and the company immediately received funds. At the same time, the manager made a complex sale, that is, he offered the client a maximum of services. And the customer glowed with pleasure: this is the service!

Now we are seeing the opposite picture: a continuous stream of incoming calls, so dense that client managers sometimes strive to announce the price for the requested service as quickly as possible, without delving into the essence of the problem, without finding out, as it is now fashionable to say, the client's pains.

Below, I'll announce the ideal deal that we use to train employees. So, a client calls and says that he needs to put up leaflets. The correct question of the manager follows: "Why?" That is, he does not ask where to paste and what exactly, does not immediately report that the order will cost the client three rubles per leaflet. A true professional finds out what result the client wants to get.

After twenty minutes of conversation, it turns out that the customer is a representative of a large state holding, and his goal is to include his people in the management structure of the pension fund. The idea is to put up leaflets in Barvikha. Representatives of the political elite living there, they say, will see them and think: "What is happening in the pension fund?" Then the head will be removed from his post, and the most worthy candidates will be put in his place ...

Does it sound ridiculous? But it was a real request. Customers often offer such, to put it mildly, non-obvious ideas.

A competent manager replies: "Wait! In order for the president or head of government to know that there is a mess in the pension fund, they must be informed about this by a press secretary or other people from the inner circle. They, in turn, get their information from the media, not from leaflets. Therefore, you need to act through the TV. We will make a "jeans" (that is, a custom-made plot), call pensioners to talk about their problems. TV crews will come, shoot and show the video on federal television. Then the president will bring this news in daddy, and your plan may work. At least there will be chances. But it's not worth 250 dollars, as for putting up leaflets, but 60,000! By the way, this is a real deal that I made in 2004, made good money then, and the management of a large pension fund has changed more than once since then. Corporate wars, what can you do.

When you start talking to a client correctly, you quickly understand what exactly you can offer him for the influx of applications. For example, a client requested an advertisement in the subway. A competent manager looks at the website of his company and sees: the time when buyers can place an order is limited - from 11 to 16 hours. So, you need to advise the client to increase the working time from 8 to 23, as well as replace the photos of goods on the site with better ones. This strategy will work better

than advertising in the subway. And it will bring the customer a lot more orders.

For such a consultation and the implementation of the project, a good manager will take from the client not 30,000 dollars, as for advertising in the subway, but only 500. As a result, the customer will receive twice as many calls and at the same time save significantly. **We do not set goals to fulfill all his requests without delving into their essence, and just to get more money at the same time!**

In general, there are several reasons why client companies turn to an advertising agency. And they also need to be taken into account.

**The first option.** The client company is focused on the strategy of its business, it is important for it to catch up and get ahead of competitors. She does not have time to independently engage in media purchases, souvenirs, conducting advertising campaigns on the Internet, layouts and everything else. She submits her marketing plan to the agency and is ready to pay for its implementation. The manager of the advertising agency chooses the methods of implementation himself and coordinates with the representative of the client company.

**The second option.** The client company clearly knows what it wants and makes a specific request: for example, to put a logo on a batch of T-shirts. The agency manager makes a calculation and reports the price to the client. He can start calling other agencies and comparing who is cheaper. Of course, purely for money, it is more profitable for the customer to contact the manufacturer directly, but he will most likely receive a low service. However, such independent clients are often found (due to their inexperience in this matter). It takes a lot of work to convince them to shift all the worries onto the shoulders of an advertising agency. Well, either

you need to wait until they themselves "choke" and return in a different mood.

And there is a **third option**, the most difficult. The management of the client company sets a clear task for its marketing department: to provide, for example, two thousand applications per month. A budget is allocated for this. The head of the marketing department decides: let's launch advertising on buses, it will definitely work. As a result, an ordinary specialist from this department is looking for an agency that will advertise on the maximum number of buses for the lowest price.

Thus, the task has changed. It was: "Get two thousand applications a month," it became: "Stick advertising on forty buses, and as cheaply as possible." With this, an employee of the marketing department turns to an advertising agency. Reminiscent of the policy of Nikita Sergeyevich Khrushchev: do we need to plant corn? It's cool! Let's burn all the rye in its place and put it!

It is clear that if the agency manager does not find out what the original task was, and confines himself to a superficial request, the advertising campaign is certainly doomed to failure. Especially if, for the sake of the coveted savings, half-empty bus routes are likely to be chosen.

That is, **the right way for a manager is to talk to the client, find out what he really needs, and offer a comprehensive solution that will bring the expected result.**

When our managers worked in the format of "found out the client's superficial request and transferred the application to the expert of the direction", we had to hire more and more people - those same experts. Unfortunately, not all of these employees had strategic thinking - many fundamentally worked only in their narrow area, made their way through



it like a tunnel, not interested in what was happening in other directions and in the company in general. There is nothing to say about an integrated approach to sales - it simply did not exist.

Fortunately, at the time of writing this book, the situation has changed.

Our current employees know very well how to work with people. I will never get tired of saying thank you to them for this.

However, I will give the floor to some of our "shock workers" of advertising work. They have a lot to add!

**Olga Nadzharova, head of the working group, Medor employee since 2015:**

*To find a common language with the client, you need to think like a client. When choosing services for him, think: "What would I choose for my company in his place? What direction?"*

*My task is not to sell something, but to offer a person something that will help to achieve marketing and business indicators.*

*There are different types of customers, and each requires an individual approach. It may sound trite, but it is what it is. Some should be treated gently, while others are better, on the contrary, to show a slightly firmer position. But you need to listen to everyone, realizing that the client, as you know, is always right.*

*I think that's what success is all about: to hear the client and understand what he wants. Then customers come back, and cooperation becomes permanent.*

*Of course, sometimes you have to go beyond the working day. The client will appreciate when you stay in touch with him both on weekends and holidays. Why, we can discuss something on the phone at night. And on weekends, for example, we usually shoot commercials.*

*In general, working with clients is a lifetime! I managed to understand this over the years of working at Medor.*

Well done, Olga. I completely agree with you.

## **Chapter 5. The Art of Making Money**

### **The state is swollen - you will have to cut**

There is one unpleasant axiom that every company leader will have to face. I have already written about this, but just in case, I will repeat it. **In any organization, the bureaucratic apparatus grows regardless of production volumes, profits, turnover and any other business indicators.**

On this occasion, I recall one book called "Work is not a wolf. A Guide for the Professional Slacker by Chris Morran. On the cover there is a funny note: "The book was written during working hours."

I read it in 2008. The author reveals the secrets of how to do nothing at work, but in such a way that others think that you are busy through the roof. The first rule is to demand an assistant. Further, it is recommended to win a separate office (because supposedly colleagues create a lot of noise), under any pretext to come to work later, and leave earlier, to be

surrounded by papers from all sides, and so on ... An amazing book, I recommend it to any manager! It is not only funny, but also very vital.

Most of them, of course, have not read it, but some "especially valuable" employees act exactly as described in the "Guide for the Professional Slacker". As a result, employee salaries are growing, there are a lot of projects, work is in full swing. And where is the profit? For some reason, it does not exist. And the company exists only due to the fact that one person invests and invests money in it - the owner of the business.

I think it's no secret that an organization progresses only when employees achieve more and more goals and move up all the time, figuratively speaking. But it often happens like this: the manager hires a specialist, and he, barely delving into the workflow, declares:

- To develop the direction, I need three assistants. Hire them, and that's when you'll be fine!

I know what I'm writing about. There was also a time in the company "Medor" when we were overgrown with assistants. Each manager had an assistant, and that manager had his own assistant or even two. As I have already written, the state unreasonably swelled by one and a half times, and at the end of 2014 we recorded a loss of \$ 23,000 - namely, it happened in November. Let me explain just in case: it is in large international companies that the results for the past year are summed up in March-April, presenting them in the form of a beautiful presentation to management. And in a small business, you can understand that a financial disaster has occurred at any time. As it happened to us at that moment.

And I set about reforms. Very tough.

The most interesting thing is that I lived and studied in Toronto at that time. And my daily routine at that time looked like this: before lunch I

studied English on campus, then returned to the guest house (more precisely, to the room that I rented through Airbnb). I slept for an hour and ran to the gym for training. He came home and until two or three o'clock in the morning local time solved work issues with Moscow by phone, recorded video messages to the team, requested reports, cut budgets, fired someone for low efficiency, and so on. In the morning I got up and, having not slept enough, again went to classes at the language school.

Soon the neighbors began to complain that I was disturbing their sleep with my nightly conversations. What can you do, in an inexpensive guest house there are very thin walls ...

Now specifically about what I did and how I brought Medora out of the crisis.

First of all, I urgently made a list of tasks: to fire someone, to cut someone's salary, to abandon half of the premises, to introduce VAT into contracts with customers, and so on. That is, he began to "cut costs" (costs - expenses) and monitor how this would affect the final figures.

Ray Dalio in his book "Principles. Life and Work" writes that cutting bones is a fun activity. But in reality, there was no smell of fun. And in response to a letter with a list of measures to save the company, I received a letter of resignation from the director of my own free will. As a result, I had to do a lot of the work to reduce costs myself, remotely, from another part of the world, working at night!

With VAT, a separate interesting story came out. As I said, counting profits, we did not deduct taxes from it. In addition, they tried to be customer-oriented, providing customers with a "credit line" - that is, they provided services without taking payment in advance.

Since then, I have diametrically revised my position on deferred payment. An advertising agency is not a bank and should not be considered by customers as a resource for a loan, especially as a company for optimizing taxation when paying VAT. Simply put, a person comes to a shoemaker in order to buy or repair shoes, and not to borrow from him "before payday". And if the client turns to our agency, then for a high-quality advertising service and nothing more. Isn't that logical?

Now I am deeply convinced that it is basically necessary to work with customers on a prepaid basis. Otherwise, client companies may begin to engage in the redistribution of cash flows at the expense of an advertising agency. That is, in fact, they will begin to solve their financial problems with our help.

For example, we have been working with one such organization since 2010. They ordered ads — say, \$150,000; We implemented it at our own expense. Plus, with this money they themselves paid all the costs of preparing an advertising campaign, including taxes, which came out to almost \$ 15,000. The client, who had not yet paid for this contract, ordered a new promotion from us - now for \$ 200,000. And so he consistently increased, and increased the amount of debt to our agency.

Why did taxes on the preparation and implementation of projects turn out to be so high? The fact is that a lot of people are involved in such projects: promoters, supervisors, artists. We have to pay personal income tax on the salaries of all these workers, and VAT has not been canceled. As a result, the entrepreneur has two options: either he pays all taxes to the maximum and remains without pants, or he is waiting for an unpleasant visit from people in uniform ...

We chose the first option. After that, they changed the terms of cooperation, ceasing to be a tool for tax optimization. The customer, whom I described in the example, and other regulars who were accustomed to working according to similar schemes, immediately left us. What was required to prove.

In addition, I made another mistake - I introduced VAT accounting for transactions in the current month, i.e. not for several months, but in fact, in the current period. Employees, on the other hand, did not take into account the tax burden when drawing up the budget for the client, and upon its introduction into management accounting, their salaries were significantly reduced. It was absolutely impossible to do what to do, as both Ilya Akhmedov and Vladimir Sakovsky warned me about. And it turned out like this: a manager, for example, expects a salary of 1200 dollars, but receives 1000. And please: the person sincerely believes that he was deceived, and writes a letter of resignation. Because of this mistake, I lost five good specialists, but I also learned a valuable lesson.

Probably, it was worth enduring. Maybe borrow money. Or introduce a condition for accounting for VAT in profit at least from next month. And in no case do not change anything in the current period, no matter how difficult it may be. So people are already counting on a certain income, and in their heads, one of the basic principles of staff motivation is violated - the principle of justice. Although if I had not taken such tough measures, it is not a fact that we would have had enough money to roll over. In any case, it is no longer known what the fate of the Medor agency would have been if I had acted differently. Vladimir at that time headed MosStand and acted more far-sightedly. He introduced this change only from the next month and did without personnel losses.

Further down the list of solutions to urgent issues, I had conversations with the heads of structural divisions.

I offered them two options for bringing the company out of the red. First, we are accumulating wage arrears, as was the case at many enterprises in the nineties, and we hope that in the near future we will still be able to pay every penny. Or we won't be able to, because business is always associated with risk. And when the manager stops paying employees, even for a good reason, they begin to look for earnings on the side, to the detriment of the main activity. That's why I didn't like this way.

And the second option: we reduce the back office to real production volumes. There will be not two secretaries, as before, but one, not four IT infrastructure specialists, but one. Not three designers, but, again, one! But this only specialist will really work, and not sit on the bench of substitute players. And he will have to reduce his salary from 1200 to 900 dollars, for a period of several months. Not satisfied? Well, then we will have to return to the first option, in which there is a possibility that no one will receive a salary at all.

In general, the heads of departments and I chose the second option, which minimizes both the agency's costs and staff reduction. And what do you think: all the laid-off employees quickly found a new job, and our backbone - that is, the coolest specialists - we, as I have already said, did not lose. People who worked in the company for more than two or three years turned out to be the most loyal. They decided: "Okay, instead of 1000 dollars for a couple of months I will receive 800 - it's not scary. But I like the team, and I want to continue working here." They knew that the agency was going through difficult times, so money was scarce - and not because the owner bought himself a Porsche.

**Vladimir Cherkasov, an employee of the Medor agency from 2008 to 2015, is currently a co-founder of the Pleasantly (<https://pleasant.com>) group of companies, which includes a décor studio, an author's events studio, an online store and a network of gift salons:**

*I can't help but agree with Oleg. The team is very important. But we must also not forget about such a quality of an entrepreneur as obstinacy. After all, business is a colossal job that needs to be improved every day, to work 24/7. You can't stop, even for a couple of days under the pretext: "I'm sick, I won't go out today." If you stay at home, you will not earn anything yourself, and you will leave employees without a salary.*

*I have a mascot that is always with me, no matter what I do, a tractor, my child's toy. It's on my desk, and every time I'm having a hard time, I pick it up and say:*

*- I am a tractor that will move regardless of what is happening around!*

*In this I imitate... Who would you think? Oleg Krutko! When they say to me: "How do you achieve everything?" - I answer: "I'm just the same as Oleg." If I want something, I will achieve it. We both like to stand our ground to the last...*

*By the way, when I quit Medor, only the lazy probably didn't tell me that I was a fool. Because I went from a salary of 4000-7000 dollars to nowhere, completely to zero! Everyone, including Oleg, told me:*

*- You have annual projects and contracts, you can do nothing at all for the next month, and you will still get 4000 dollars without straining.*

*I replied:*



*- Guys, I need something new. I want to move on!*

Volodya is a real tank. Stubborn enough to achieve anything.

When he quit, I thought: "Leaving a good salary for some obscure flower business! This is some kind of garbage ..."

Since then, I have reconsidered my views. If a valuable employee leaves, this is my responsibility. So, I did not give him additional opportunities to develop, did not motivate, did not finalize, and so on.

I called Vladimir twice ago, knowing that for several years he could not reach even a third of the income that he received from us. But he didn't come back. This person, self-confident and ambitious, easy to learn and believing in his projects, will achieve everything on his own.

I believe that Vladimir, in my opinion, has a much higher potential as a business partner (with me or other entrepreneurs) than he earns in his company. But... The main thing is that he is happy!

**Vladimir Cherkasov:**

*Have I ever thought of returning to Medor? Yes, when there were ups, but not more than for an hour. And then came the understanding: to think about the past means to slow down. To achieve something, you need to look to the future and develop!*

*Of course, I remember "Medor" with warmth - and not only the salary. Money is good, but the team is much more important. A team that moved with me and thought on the same wavelength.*

*Of course, a lot has changed in my life since then. Now I am not just a businessman, but a father of two children. I want to leave behind not only capital, but also knowledge and experience. I'm going to demonstrate to my son how important it is to be able to move, to maneuver*

*exponentially, to constantly be out of the comfort zone. We must fight, there is no other way! And so it has been from the very beginning of my entrepreneurial activity.*

*At first there was an idea to open a beauty salon, then an idea was spontaneously born: to do floristry. And what - to enter this area, perhaps, is the easiest. Small investments will be required, because it is not related to production. It pays off quickly, you can work online. And with all the nuances related to taxation, then it was easier. We tried it and liked it. In the beginning, our team consisted of four people, each responsible for their own direction.*

*Now we already have a group of companies. We work with the middle class of clients. We don't get into the premium class, everything is already divided there - at least, I got that impression. Economy class is also not for us - dumping works there, and this is not our method. We are a salon, not a wholesale base. The real turnover of the company grows even in a crisis, and this, in my opinion, is the best proof that the path has been chosen correctly.*

I, too, always believed in the chosen path, although sometimes it happened that I had to strain all my strength to move on. The company was shaking as if in a fever. In the mornings, employees waited for another bad news from me and breathed a sigh of relief if it "only" concerned current expenses. Have you ordered new furniture? We cancel it - we don't need it, we'll sit on old chairs. Powerful new computers? Why do we need them, if those that are, still nothing! Paid parking near the office for \$65 per month? Cancel. It is quite possible to put cars 100 meters away, and this will not affect the quality of the services provided.

... There were several periods of reductions. The most significant thing happened in 2015 (that is, immediately after the discovery of losses), when we abandoned half of the office space and cut 40% of employees. And here is the result: \$250,000 in profit!

The tradition was continued. Now we have a great director, Vladimir Sakovsky. It perfectly "cuts the bones" and does not allow the staff to grow. And on the latter, it is usually I who insist: "Let's take this brilliant applicant, and that too, but what's there - we'll hire eight people at once, some of them will definitely succeed!" And then Vladimir stops me and reminds me how much it will cost us. This is how we compensate each other. If there is a person in the organization who wastes money right and left, then there should be a second employee - the one who will stop the squandering of funds in time.

**Vladimir Sakovsky:**

*I think that Oleg and I have a tandem in balance.*

*He is an optimist and a generator of an endless stream of ideas, and I look at things more down-to-earth and realistically. Without Oleg, we would not have moved at such a pace: he develops, and I save.*

*Years of working on tight budgets have taught me how to spend money very efficiently. This is both bad and good at the same time. Because the most important thing for me is not to destroy the platform that already exists. My principle is to introduce improvements slowly and gradually, although at this rate you can only preserve what you have, but not keep up with the future. Whereas at Oleg's speed we will have time to catch up with any train, and jump into the last car, but everything that is left behind will burn with fire.*

*My colleague gives birth to so many ideas that we would not be able to fully implement them physically, even if we tried. This would require a huge staff!*

*When Oleg wants powerful development and is ready to swell into a new project every penny, as if he were playing all-in in a casino, I always say this: "Let's start with a small amount. Do you want to invest \$200,000? Let's see how your \$10,000 plan works first." If this amount brings at least 1% of the profit in the end, then we will invest a larger amount. If not, then I'm sorry - we won't go further. That is, I am in favor of saving money. He is in favor of actively investing in them.*

*The most surprising thing is that the principle of economy, which is so well combined with my character, I learned from Oleg. And I'm not the only one who stops him from rash transactions - it happens the other way around. That is, I propose a bombastic, in my opinion, idea, I say that we need to trust the specialists who promise us a rise in business, make a new product with them and move together into a bright future. And already he slows me down: "Wait, let's count the numbers ... Do they already have successful cases and recommendations to make it easier for us to make a decision?"*

*I think that our tandem gives balance to both ourselves and the company. We learn from each other. Probably, to a greater extent, I am with him. Although there are moments that are good for me. For example, working with numbers is a reduction in expenditure components related to the company's monthly costs. And there is something that Oleg does better. He, as I have already noted, is the generator of ideas, and I am the implementer of some of them. And our complementarity leads the company forward, preserving the best that is in it.*

## **Mind is good, but two is better!**

I want to tell you more about this wonderful person and reliable business partner, Vladimir.

He joined our agency in 2007 as a sales manager. Soon I entrusted him with the whole department, and he proved to be an excellent leader. He worked superbly with the team, acting as a mentor. I just sat next to one of the employees and watched him perform his duties. Seeing mistakes, he did not reprimand the employee and did not show his superiority in any way, but kindly, quietly explained how to work: call, write, communicate with clients and contractors, etc.

**Tamara Gaeva, head of the department, employee of "Medor" since 2010:**

*Yes, Vladimir is a surprisingly patient person. If you turn to him with a difficult question, he will always listen, think and put on the shelves how to act.*

*Probably, fate introduced me to him, so that I learned patience, because I have an explosive character by nature. How many times, faced with a problem, was I going to quit Medor! But Vladimir calmly explained everything to me, suggested a solution, and ... The clouds seemed to disperse by themselves. Once - and the path to the goal became visible.*

*He is gentle, reasonable. As a leader, he can teach a lot!*

*And in general, I like that in "Medor" you can "spread your wings" with all your might. I feel the support of the team and management.*

Vladimir's department still bears its "historical" name: the first. Then there was the second department, the third, the fourth, the fifth... But the first department has always been and remains one of the best.

**Vladimir Sakovsky:**

*I became a leader when I was only 21 years old. I had no management skills or management ambitions. As a person with hyperresponsibility syndrome, I did not like to take it upon myself, much less be responsible for others. I never imagined this direction of my career. I only knew that I could sell well, because, again, I feel a high degree of responsibility for my personal result.*

*Now I had to answer not only for myself, but also for my small team! I got new recruits to my department, who had to be trained and supervised, as well as helped to get used to it - both in the company and in the new advertising market for them. My subordinates were older than me - some by two years, and some by all ten. These people, who had not worked for us for a month, were still looking closely and did not trust the company, and me too: what, they say, will this young man teach us? Will we earn anything under his leadership?*

*At that time, the managers' pay system did not include a salary, but consisted only of a bonus of 25% of the margin. As he drowned, so he burst - that's all. We considered this approach to be the only correct one.*

*Although, of course, it's easy for me to say. I came to work at the agency as a student, I lived with my parents at that time, so I didn't know about big expenses. I earned money on the way back and forth - I was already in the black! But some of my subordinates had families, some had a mortgage and a loan. They, unlike me, a student, could not afford to go home with nothing. But the salary could really potentially be zero, and not only because the manager was idle or showed insufficient skill and*

*perseverance. It also happened that the month simply turned out to be unsuccessful, and the transactions went to the next unclosed.*

*In general, luck is an important factor influencing sales. The phone rings periodically for all managers, but some on the other end of the line is a large oil concern with a multimillion-dollar contract, while others have a small entrepreneur who needs to advertise the services of a computer master, which he himself is. Pure lottery!*

*I faced many other difficulties as well.*

*It is always difficult for any manager, whether he is a beginner or an experienced one, to fire employees. Especially if he has been in close contact with them for a long time, so he knows that one has sick parents, the second has a mortgage, the third has a rented apartment ... And in any case, you can't treat people like robots: they say, if you break down, you need to throw it out and put a new one in its place.*

*Some employees, upon dismissal, asked to be given another opportunity. To be honest, in my practice, there has never been a time when everything got better after a second chance. On the contrary: usually a person in the remaining two weeks was engaged in actively looking for a new job, and performed the old one carelessly.*

*Ideally, employees should observe discipline and subordination in the team, then it will not come to dismissal. But at first it was difficult for me to get my subordinates to follow the instructions clearly. Neither in a year nor in two did we manage to do this to the extent, at the level that we would like. The same alcoholic gatherings in the company with the CEO, which are written about in the previous chapters, interfered. Also, this was hindered by my young age and a certain indecision in management. And where would it come from if I have never led anyone?*

*In short, for a relatively long time, the management of the department caused me a lot of stress. But youth is a disadvantage that passes over the years, and small and big victories strengthen self-confidence. With experience came another important skill: to teach junior colleagues to successfully perform their functions, to help them, to prompt. Even the baggage of knowledge here is not enough. It is important to analyze victories and defeats, to understand what influenced the result and how to win more often. This knowledge and decision-making practice, as well as the accumulated expertise, had to be passed on to managers.*

*To build the right relationships with employees, I was also hindered by Oleg's trait, which manifested itself at first: to highlight favorites. If he noted someone, then the flared up "star" quickly became uncontrollable. And so I give the task to the manager, and in response he arrives: "The general praised me yesterday, go with your advice to hell." Fortunately, we have outlived this phenomenon over time. Our subordination has long been at the proper level.*

*Despite my initial uncertainty about the result and the fact that, in general, the management of the sales department is mine, our division gradually developed. Within a year, the company had its second, third and fourth sales departments. But our first one, even before my departure from the Medor agency (there was such a thing, read more), and after a year and a half, brought more profit than any other division. So, I think I coped with the difficulties in the process of becoming a leader.*

Indeed, at the end of 2013, Vladimir left the company. Many people (and this is normal) experience professional burnout. A person has been working in the same position for many years, fatigue accumulates. And so it happened with Vladimir. He left with a friend, also a valuable specialist, Yevgeny Vorobyov.



### **Evgeny Vorobyov:**

*We received a proposal: we are not required to invest financially, we must invest our knowledge and develop an advertising agency on the model of Medor. Which, of course, we signed up for, because it was interesting, and did not require any costs. They embodied in reality everything that they knew and knew how to do - a website, contextual advertising; Along the way, we began to deal with exhibition equipment, which I eventually liked even more than the agency itself. It is closer for me to work with what you can touch with your hands, with a product, as opposed to services.*

*It wasn't easy. In general, the main difficulty in creating my own company for me then was the staff. It is not easy for me to dismiss people and thereby take responsibility for their future fate. Again, hiring employees at first caused certain difficulties - and even now I will not say that it is easy for me. I wanted to create a company that would be like a real family. And I still have such hope, but deep down I understand that this is probably impossible.*

### **Vladimir Sakovsky:**

*I'll put it even simpler. One day I realized that I was tired of everything. Time at work turned into a "groundhog day", and the desire to be useful and work efficiently remained less and less every day.*

*So that you understand: at the time of my dismissal, Medor, as it seemed to me then, was at the very peak of its profitability for the entire period of its existence. That is, I left with the highest wage figures, which means that the financial situation was not a reason to leave the company. I'm just tired - and that's it!*

*Here, as if by magic, other former employees of Medora offered me a joint project with their investor directors. They wanted a new business – also in the advertising niche.*

*I found their proposal very interesting. Because even while working at Medor, I had ideas on how to improve the processes in the company, if it was in my power at that time.*

*When a person works for a long time in any field, he naturally has thoughts about his own business. It often seems to the manager that the owner, after paying employees 25% of the profits, appropriates the remaining 75% to himself. And fattening on this huge money, just spending it left and right, as your heart desires! This is not my case, but at the same time another thought flashed in my head: what is the point of working for hire when you can work for yourself for 100% of the money?*

*Most often, a person does not represent all possible difficulties and assesses the potential of the upcoming enterprise only from the point of view of his activities. Say: I'm a good specialist - so everything will work out. At the same time, he does not take into account that he will also have to deal with reports to the tax office, accounting, and administrative issues. And close all financial holes in the business with personal money!*

*Understanding these features comes only when a person really tries to create his own business. And constant costs begin: office rent, hiring staff, salaries and so on and so forth ...*

*But at that time, I hadn't thought about it yet. I only understood that there were no prospects in the Medor company for me personally, I was tired of everything and it was time to leave. I was worried, not knowing how to discuss this topic with Oleg more delicately. Probably, I was preparing for the conversation for a month and a half or two. At the same*

*time, I was building a model of a new project in my head, thinking about how to implement everything. I listed in my mind the sequence of actions before the launch of the project: rent an office, buy furniture ... For me, it was like moving from a rented one-room apartment to my own cottage. I felt that my eyes lit up, there was interest, drive, creativity woke up!*

*I have already begun to imagine how I will design the future site. Thinking about the selection of the team, I realized that I would solve this issue personally. In a word, my imagination ran wild! Although we agreed with new partners for much less money than I earned at Medor. But with the prospect that in six months we will make a serious profit and divide it into four participants.*

*And in general... If I hadn't left on my own, I think Oleg would have fired me. More precisely, I would do so if I were him. Because a person who has lost interest in work performs his functionality purely mechanically and cannot move the team further, develop the department, infect employees with enthusiasm ... Little can give the company. It is of little use. And an apathetic mood can cause irreparable harm to the team, as it is contagious. Now in the company we try to give each employee the opportunity to develop or other new tasks, so that it is difficult, but at the same time interesting, brains work and eyes burn.*

Yes, Vladimir and Eugene found two investors and opened a company for advertising and exhibition equipment. These investors, to be honest, came from the terry nineties, operated with concepts like "grandmothers there", "grandmothers here", and how many of these "grandmothers" is not so important. They didn't really understand the numbers, as I see it.

## **Vladimir Sakovsky:**

*There were two investors who wanted to get a passive source of income in the form of a new business, two of their trustees (former employees of Medor) - and Evgeny Vorobyov and me. Investors invested money, and we invested our skills, knowledge and experience.*

*I had ambitious goals, plans, prospects and new tasks. I was overwhelmed with the desire for something more: to create a product from scratch, to lead it from the moment of formation to the achievement of the highest results.*

*The management model, that is, the calculation of the financial motivation of managers, wages, income of the final beneficiaries, I adopted from the company "Medor" as the only example of doing business known to me in practice. At the same time, I had no doubt that I would do better, take into account all the mistakes made. Imagine a person who sees a snowboarder for the first time in his life and says: "Think about it - on a board in the snow! That's how I can do it, and even cooler." That was me, figuratively speaking!*

*As a result, we decided to focus on the product that can bring noticeable money in a short time. And they focused on mobile exhibition equipment. We had an example of such a product in the company "Medor", called Standbuilding. We made our own, called it Universtand, from the word "universal". Quite quickly, in six months, they reached full payback and began to fix a small profit.*

*And everything would be fine, but ... This was the first business relationship of this kind, and we agreed verbally, sitting in a restaurant. And while one was telling us how we would count and divide the profits, the rest were "chewing dumplings". From the very first year, difficulties in*

*mutual understanding began between us, and then more ... After two years of work (and from the sixth month the project was on 100% self-sufficiency and brought monthly income, albeit small), the phrase from investors was as follows: "Put a fixed amount on the table every month, but how you do it is absolutely all the same." Such is the subscription fee. The rationale was that we seem to live well and earn more than we declared. At the same time, none of them wanted to dive into tables with monthly results.*

*It became clear that we would not be able to agree. I managed to postpone the deadline for the introduction of new conditions by only two months.*

*A feeling of hopelessness covered me. Zhenya and I did everything we could and could to ensure that the business reached more or less normal indicators. But the money that our company brought was clearly not enough. We needed growth not by 2-3% per month, but at least by 30-40%. At the same time, we did not have additional working capital for development. And what to do? Unknown.*

*During the period of work at Universtand, Zhenya Vorobyov and I studied under an abbreviated MBA program - this is a cool advanced training course in the field of business, management and business administration. True, he did not help us much. New knowledge is good, but our company did not have the financial resources to test new ideas, gain experience and improve the financial result at that time and could not be formed, since all the profits received were spent on payments to investors who were not ready to wait or reinvest. And of course, including us, because without taking the money right away. Then they could never be seen.*

*All sorts of options were spinning in my head: either stay in the company (but how to increase profits is still unclear), or leave (but where next?). Finally, I realized that the postponement that I bargained with the founders should be used in order to change the business model with de facto not particularly accommodating people to another - with more negotiable participants.*

I remember those times well, we met with Vladimir every six months or a year. I asked how I was doing, and each time I called back to Medor. As a result, in 2016 I found him in a terrible state. The former colleague looked tired, things were clearly going badly for him.

I suggested to Vladimir to create a company for the sale of exhibition equipment together with one condition: we would divide the profit in half. A new business, but within the framework, so to speak, of the Medor group of companies. Vladimir wrote an investment plan.

We agreed.

**Vladimir Sakovsky:**

*Yes, during these three years, while I was building a business at Universtand, Oleg and I sometimes met. At the same time, he always offered something. For example: "Let's print banners for exhibition equipment in our printing house at Universtand!" Or even I wanted to do full-fledged joint projects. That is, Oleg was always looking for common ground. I think in order not to lose contact with me and, possibly, on the basis of our cooperation, to build something big and long-term.*

*When everything went down the abyss at Universtand, we met Oleg again, now on my initiative. First, I was hoping to get advice from a more*

*experienced person who has owned the business for many years. And secondly, I was sure that he would make me another lucrative offer. This time, unlike the previous ones, it would be on time.*

*Oleg said: "Since you managed to build a company that works, albeit with a not very high, but still stable profit, then you can repeat the same project for the sale of exhibition equipment based on Medor!"*

*He invited me to return as a managing partner of a new independent organization, that is, to create and lead it.*

*I agreed, with the proviso that he didn't really interfere. That is, I will build a business model as I see it myself, using the example of the one that I have already implemented, but with fewer participants.*

*In short, my first independent project did not show the desired financial results. The only thing I have accumulated in a little over three years is the experience of building a business.*

*After I left Universtand, the company lasted for almost another year. It closed when investors asked Eugene to leave because they were sure that someone else would do a better job than him. They invited a familiar advertiser, and in just three months, but the business finally collapsed.*

**Evgeny Vorobyov:**

*All this was not in vain. Lessons in business remain your experience and help in new endeavors. So, for 2021, I completely went into the production of exhibition equipment, I am engaged only in it and plan to continue. I prefer this direction than advertising. We survived the crisis and lockdown, although we suffered quite heavy losses - we halved. Employees continued to leave after the lockdown, but I still managed to stop the leakage of personnel. People quit due to the fact that our sphere*

*has suffered greatly: we are engaged in exhibitions, it was they who were canceled in the first place. We made refunds for all projects, but no new ones came. The decline in sales continues in 2021, but nevertheless our company feels much better than the year before. We have production facilities, and Medor, by the way, is still our customer!*

The product that Eugene produces is of very high quality, not like what I had. To each his own: the guys not only copied something, but also surpassed in places, it seems to me. First, in the production direction. Secondly, Zhenya did not inflate the company to a large size, like Medor, but left the business small, retaining the spirit of family. In this regard, I envy Eugene a little, he is great.

We created the company "MosStand" - one might say, a subsidiary for "Medor". I invested money, Vladimir assembled a team. He acted, as always, decently: he did not pull a single client, not a single employee. As a result, our joint business turned out to be successful.

**Vladimir Sakovsky:**

*So, I'm back. I wrote a plan, agreed it with Oleg and began to build a new business model. The company had its own budget, the profit did not go to the general piggy bank of the advertising agency.*

*According to our plan, the company was supposed to reach self-sufficiency in the fourth month. And in the sixth or seventh month, a return on all investments was expected. Everything turned out even a little better than we expected. Only three months, unlike six at Universtand, was enough for the enterprise to pay off. Six months later, all the money that was invested by the Medor agency in the development of the small MosStand returned. In the seventh month, we began to fix the net profit. Pretty good, higher than what I expected.*



*The development was going well, we were both satisfied. Oleg realized that it was not in vain that he invested in a new business. He brought back one of the key players to the team, that is, me, and received additional income. At that time, the advertising agency "Medor" itself did not demonstrate the best profitability indicators. It can be said that a small enterprise of six or seven people then brought about the same profitability as a whole agency of fifty employees.*

*"MosStand" made a sharp start, brought good money, a motivated team worked in it. Everyone's eyes were burning, everyone was busy: one, conditionally, was carrying something, cutting, sawing, the other was constantly calling customers. Life was in full swing!*

**Valentina Korotkina (Snegireva), head of the MosStand project, Medora employee since 2016:**

*I came to MosStand when it was just born.*

*Let me explain what exactly this company does. At various events, you have probably seen a press wall or brand wall - a wall with company logos where everyone is photographed. We produce them. And more stands for exhibitors. Also, probably, you have met such designs.*

*We also do all the printing and souvenirs for events. And, of course, we provide promotional staff. For example, long-legged girls in stilettos. That is, we fully provide the client with everything necessary for his presentation or exhibition to go off with a bang.*

*I see my mission in embodying the customer's ideas and doing my job perfectly. After all, no two events are the same, each in its own non-standard way. And I'm interested in doing it. For me, it's more than just a job.*

*Oleg Krutko and Vladimir Sakovsky are the best leaders in my life, and this is not for the book, I really think so!*

*Oleg and I don't often cross paths at work, but I hear only good things about him. He is an inspirer, everything in the company is built from his ideas. And Vladimir is calm, measured, constructive.*

*For any advice, you can turn to one or the other, they will not refuse.*

*And in general, we are all one big team, one big family. Do not refuse to help on trifles, because someday they will help you. Communicate with everyone and be open. We live by such principles, and as time shows, this is actually the right approach to work!*

### **Why do I earn?**

When I had a crisis in my personal life - more precisely, a divorce - I offered Vladimir to take over the management of the agency. It was already 2017.

### **Vladimir Sakovsky:**

*Oleg offered me the position of executive director several times before I agreed. I made the decision at the moment when I noticed that in MosStand the days are becoming similar to one another. We have already gone through this ...*

*I did everything I could for the small business, including training the heads of two sales departments. I knew that MosStand's revenue would sag when my attention and control decreased. At the same time, I understood that I had to move on. I was emotionally comfortable in MosStand, as in my own small principality. Well, it's nice to be in your comfort zone, but you don't want to stay there for 3-5 years.*

*As I expected, after my agreement to take over the management of the Medor agency from Oleg, difficulties began. At first, it was difficult to correctly allocate time, because the range of tasks instantly increased tenfold. For some, it was enough to answer "yes" or "no", but this also took time. Some of them were later delegated.*

*It often happened that Oleg came from various trips - business trips or vacations, charged with daring ideas on how to "break" the whole world. For example, to conquer the advertising market of America, to enter the top 10 digital agencies, without having its own platform, nor similar orders, nor sufficient knowledge to sell this product. I'm sitting up to my ears in the "operating system", and then it arrives: "We are going digital!"*

*But now I don't get tired of anything, because I have a really wide range of tasks in front of me, different every day. Approximately 40% of the working time per day I am engaged in operational activities (to ensure the operation of the company). 20% - communicate with employees in order to jointly think over the nearest plans. The rest of the time I spend on strategic tasks on which the result depends. At least that's what I try to do. It doesn't always work out, but we're moving forward anyway!*

Indeed, there was a period when I could not work with one hundred percent efficiency, as I was absorbed in problems on the personal front. By inviting Vladimir to take care of the agency and take half of the net profit, I kind of bought time for myself. He began to travel, visited Australia, Canada, America, Africa. I traveled everywhere, lived, looked at how the world works. I recharged my batteries, learned English, and established my personal life. In general, I recommend everyone to change money for a while (if possible)!

By the way, about his personal life. I had a certain model of the family built in my head. A man is realized at work, disappears there all day, and in the evening comes home, spends time with children on weekends. Is that wrong? As it turned out, not very much: I built and built a cozy house of family life, and he took it and fell apart.

On weekdays, I honestly earned money. On Saturdays, my daughter and I went to the pool, Alice worked out with a coach, I swam myself. After that, we stopped at McDonald's, the child there allowed himself everything he wanted, for joy. And then we went to a bank with a more favorable exchange rate, bought dollars in the amount of 1000 to 7000, depending on how the working week ended. It was my pleasure. "Bucks" were stored in a safe and gradually burned out, because I did not always invest them successfully.

And then one day I thought: why am I doing this at all? I earn money, yes, but I don't know how to spend. I don't have a car, and even more so I don't fly a helicopter, I don't drive business class, I don't buy things from fashion brands ... I, like the Miserly Knight, sit on money. I work hard most of the week, spend a little time with my family, work hard again. What's the point?

It turns out that people are working in order to... To work. And they live, in general, for this. Plow a whole year to get a two-week vacation roasting on the beach in Turkey. Why is it needed?

I found the answers in the book "Men are from Mars, women are from Venus." Author John Gray talks in an accessible way about how a person's hormones work, and that a man feels high when he has an excess of testosterone. After all, why do we like to poke around in technology, drive a car, conquer the world, climb mountains, bungee

jump? For us, this is a solution to small and large problems, from which the cherished testosterone is produced.

That's why I work, and money serves as an indicator of the degree of my pleasure.

And what about the money? What and why do we spend them on? My point of view: we buy expensive branded items in order to change ourselves. But this change is purely external. A person buys a very expensive phone in order to become someone else, which he really is not. He can't afford a \$100 Calvin Klein T-shirt, but he buys it anyway (for example, with a credit card), hoping to transform himself through the possession of expensive things, to move to a new level, to a different social class.

What I can advise: start with internal changes. That's what I do - for example, I improve my English. Although it's easier, of course, just to buy something again. Many, feeling dissatisfied with life, do just that.

Let's say a person with a salary of \$ 5,000 buys a Porsche for \$ 150,000, as long as he is considered cool. In my opinion, the cost of the car should not exceed 10-20% of annual income. If the car is significantly more expensive, then it does not suit you. I know for sure that my personal income at the time of the creation of the book does not correspond to the cost of a car of \$ 150,000. The purchase should be given without stress, without getting into debt and loans.

Life experience suggests that people have different motivations for making money. Someone needs to feed eight children, and someone dreams of driving a Mercedes or living in an apartment for \$ 10,000,000. What about me?

I have set myself some interesting goals for the coming year:

- start paying employees above the market by at least 15%,
- thanks to this, to replenish our superteam,
- enter the top 30 advertising agencies in terms of the volume of buying services and in the top 50 in digital,
- to bring our plant in Kaliningrad to profit,
- bring an advertising agency to self-sufficiency in a different language code, in Dubai, and after 3 years in the USA,
- lose weight by two kilograms.

By the way, while the book was being written, the first and last points had already been completed, well, there was little left to do.

By the way, why do I need a business in the USA? I lived there - dirty, ugly. There are a lot of literally crazy people on the streets who behave freely and uninhibitedly, homeless everywhere. Yes, there are many advantages, but there is no brilliance nearby, the illusion of which was created by the media in our heads. America is coolly packaged, its image of a country of endless possibilities attracts people...

So, personally, I want to create a business in the United States, because I, like any man, have a competitive spirit in my blood. Remember how at school in physical education the boys show off in front of each other: "I'll pull myself up twenty times!" - "And I'm thirty times!" - "Then I can also do the same."

Many men tend to squeeze a barbell weighing a hundred kilograms. Why such a figure is unclear. Simply beautiful. Or they want to run a marathon, although from the outside it seems: well, what's the difference - a person ran 39 km or all 42? I've run a marathon twice. What for? Yes, again, for show: "I could, I did it!"

So it is in business. We, men, go out of our way to be cooler than others and prove to ourselves "I can do anything"!

And guess what? This is a great motivation for success!

### **Main Resource**

Talking about our business, I cannot fail to mention one important, I would even say - the most important, moment.

Any company starts with a CEO. And who is the second most important person - do you know? Do you think it's the first deputy?

HR Director! Still would! After all, it is this person who is responsible for who exactly will work in the company. It was the activities of our HR managers that we analyzed most carefully when the first staff reductions began at the Medor agency - in 2009-2010.

That's when we discovered the problem.

As we have already found out, when a person has professional burnout, he loses interest in work and asks to allocate an assistant, or even two. He shifts all the worries to them, and he sits in the office and reads a book.

The worst thing that can be done in this case is to follow the lead of such an unscrupulous employee and hire assistants for him. This is what our HRs were doing, excessively inflating the staff. Although in a good way you should talk to a person and, possibly, offer him additional functionality or move to another department, or even do another type of activity.

In general, in my opinion, the most important thing in the company is people. Therefore, the HR service is obliged to hire employees who will be comfortable working with each other and who will move the company

forward. And what is the reality? When a line manager needs a specialist in the team, he usually tries to close the vacancy as soon as possible and takes the first person he comes across for the position. But if the leader has no experience in selecting a team, and he does not know how to correctly formulate his requirements for a candidate, he is forgivable. But the HR specialist must see and cut off incompetent, toxic applicants for the position.

Ideally, before the final interview, he should request recommendations from the candidate's previous place of work, view his social media accounts, collect as much information about him as possible: what he lives, what he is fond of and interested in. Let's say an applicant for the position of financial manager passed the interview perfectly, but a professional HR manager will definitely look into his Instagram account. And if, for example, he finds a lot of comments from other users: "When will you repay the debt?" - then it will become clear: it is better not to let such a person to big money ...

In short, the approach of "recruiting a crowd of people just to plug holes in vacancies" is no longer welcome in our agency. HR's job is to hire competent specialists who meet the requirements of the company. First, he receives a detailed terms of reference, delves into the functionality of the position for which we are looking for a person. His task is first of all to analyze the internal resources of the company and, in accordance with its needs, hire an employee.

To put it quite simply, if you initially choose the right staff, then you won't have to fire anyone!

By the way, the former full-time employees of Medora remember their colleagues (and the time spent together) with a kind smile.



**Mikhail Pavlov, a former employee of Medor, at the time of the creation of the book is an entrepreneur and SEO at GLOBAL MARKETING GROUP, the holder of the Medor franchise in St. Petersburg:**

*The team at Medora is excellent. We all became friends and began to help each other: Olga Demidova, Nastya Goryachkovskaya, Galina Kulikova, Volodya Cherkasov ... We often had parties, a joint game of Counter-Strike, team against team, we even made bets. Although, personally, I still like parties more.*

*We were friends on our own, and we were purposefully united. We had very strong buying departments that helped each employee to develop individually and the company as a whole.*

*I got to Medora by accident, quickly got involved, began to progress, give results. Everyone was happy. The fact is that I am a manager, and a lot has been delegated to me. I liked that there is freedom of action, and the agency itself as a whole, the approach to employees. At first I worked as an HR coordinator, I had the position of project manager, then I became the head of the department.*

*Of course, I experienced all the difficulties of working for a percentage of sales. I think it's a good survival school. But in any case, strong managers receive from 5000 to 100,000 dollars in the agency.*

*Yes, in the end I went into "free swimming", but such issues in "Medor" are always resolved amicably. No one forcibly held me. The reason for leaving was a reassessment of life values. At Medor, I was a top specialist, received an average of \$ 4000-5000 per month, was the head of several areas, the head of the client department. But I realized that I was spending too much time at work, even on the way to the office.*

*At that time, I was going to buy an apartment, but the request was large: housing for 400-500 thousand dollars with parking, and I had an amount five times less. Therefore, I decided to live in another city: if I can't realize my dream in Moscow, why not move to the less expensive St. Petersburg.*

*I left the top job to nowhere, on a salary of \$ 500, my team and clients remained with Oleg Olegovich. I got a job as a simple buyer in outdoor advertising, although there were several other areas for which I was responsible. On the second day, an unpleasant story happened at the new workplace: I was leaving the office, looking for my Alfa Romeo (yes, I already had such a car), red, beautiful, but it was gone.*

*A promoter from our company walks by. I ask:*

- *Have you seen my car?*

*He:*

- *Picked up on a tow truck.*

*Well, at least they didn't steal it! I was fined for parking in the wrong place - about \$ 100, more than I earned in two days in a new company. That is, a hundred bucks was a real large sum for me. I was wildly upset, thinking: "Should I work here at all, or is this a sign?" As a result, I lasted a month and realized that something needed to change.*

*After 2-3 months of living in St. Petersburg, I reached a salary of about 1500 dollars, I was hired as a business development manager, then as a client manager of several companies. I worked at peak salaries in St. Petersburg, then began to develop myself, I had my own small company, Global Marketing - it works to this day.*

*At the same time, the St. Petersburg branch of Medora was closed. The central office tried to revive this branch: they restarted it, recruited employees, tried to call customers and advertise, but ... Nothing worked.*

*And I decided to take over this office on a franchise. That is, to work under the trademark "Medor", but from their legal entities, with their own team. It was quite a difficult task. According to Peter, Medora had large reputational losses left over from the previous leader. But that didn't stop us! I had experience in bringing "dead" projects to a good profit. It turned out this time due to the approach, strategy, team and our main principle - "change as often as possible".*

*By that time, I had been living in St. Petersburg for six months, managed to explore the whole city, get acquainted with suppliers and partners. Since our team consisted of only three people, we could not independently ensure the implementation of fifty areas of advertising, which is provided by the head office of Medor. Therefore, we came up with a unique concept of diversifying tasks by performers. Thanks to which they did not depend on anyone and could broadcast our requests to absolutely any freelance specialist or agency.*

*We understood that each issue should be worked out clearly and convert the client into a transaction and its prolongation. Therefore, we agreed with the advertising market of St. Petersburg to work out and conduct projects together, thereby providing customers with the best conditions for all requests.*

*Over time, we moved away from this model. We refused to attract third-party specialists to the buying direction, building it within our team.*

*At the time of writing this book, our franchise is now in its second year. I liked working at Medora as an employee, but it turned out to be*

*much more interesting to act as a partner. Oleg and I found mutual understanding quite quickly, which is why we are still cooperating.*

*We have the companies Global Expo and Global Marketing: the first is responsible for exhibitions, the second for classic buying and multimedia projects. We opened the Global Events agency for organizing events in Europe and the CIS countries - Uzbekistan, Tajikistan, Belarus. We make stands for Otis and Schneider Electric. And more recently, we implemented an event project in Egypt for a large IT company, with team building in a hotel and a week-long safari on a yacht. We worked out a project in Italy for the government of the Rostov region together with the government of the Italian Republic of Lombardy. It was a three-day summit for 750 people!*

*Our plans are to enter the Dubai market, where there is an attractive tax base, and the average bill for a project is 500-600 thousand dollars (in Russia it is five times less). To do this, we need specialists, business clients, partners, whom we are considering. In Europe and Eastern countries, the model of working with the opening of a representative office is a rare story. As a rule, companies try to work in partnership with locals, and not create everything from scratch. For example, integrate into a technology cluster in Dubai and do events, exhibitions and advertising.*

## **Chapter 6. "Medor" against coronavirus**

### **"Mask show" in the scenery of the pandemic**

The events of 2020 made all businessmen, both large and small, nervous.

At first, only echoes of news about the coronavirus reached Russia, but no one really cared about them. Yes, there was some new disease on the other side of the world - so what? You never know what they were: Ebola, swine flu ... And then suddenly the whistle dance began: foci of morbidity broke out in Italy and Germany, an instant - and the whole of Europe was covered by the virus. Then came the first victims in Moscow... And here it is - a pandemic!

In this chapter, you will learn how Medora survived the self-isolation regime, the financial crisis and other difficulties that 2020 brought.

Soon after the media began to sound the alarm about a new, previously unknown and highly contagious virus, we began to receive customer requests for refunds. Due to the fact that the authorities closed all catering establishments, restaurateur clients asked to transfer back the payment for complex advertising campaigns.

And that was just the beginning. Measures were tightened, people were strongly advised not to leave their homes, and, as a result, almost all advertisers stopped their campaigns and asked us to immediately cancel the agreements and return their prepayments.

We, in turn, were not going to deal with our customers the way the bank treated us, where all the company's money burned. Remember that creepy story that was mentioned earlier? So, "Medor" adheres to a clear principle: it is right to return other people's money that has not yet been directed to the implementation of the order.

As a result, already at the beginning of the pandemic - namely in March 2020 - money from customers stopped receiving money from customers at all, only refunds were made. Moreover, we were the only entrepreneurs I know who returned 100% of the amount to customers immediately after the request, at least the next day. There are no "we will transfer money in thirty days", "in sixty days" and the like.

**Vladimir Sakovsky:**

*Unfortunately, not all of our subcontractors behaved as honestly as we did. For some projects in which our agency acted as a customer, Medor did not receive the money back. That is, in fact, we invested part of our own funds in returns. But it was the only right step to strengthen the reputation. And with those suppliers who did not give our prepayment, we have not cooperated since then - and, probably, not only us. However, not all of these organizations survived the pandemic ...*

It was urgent to figure out how to survive.

I offered Vladimir Sakovsky to sell medical masks. I don't understand what kind of fly bit me. After all, at that time we did not know anything about this segment of the market, and indeed we had never been engaged in any business not related to advertising.

The reaction of my companion was not difficult to predict.

**Vladimir Sakovsky:**

*As a person whose role is always to object, I said: "Our specialization is advertising. And you propose to retrain in the sale of goods, besides pharmacy! And how long will this coronavirus last? Is the game worth the candle?"*

*As I remember his words now. He replied: "Advertising is going to the bottom, and absolutely everyone will need masks now. Let's deal with them!"*

I continued to convince Vladimir that a completely different time had come, when customers temporarily had no time for advertising. And while there was a lull in our business, we had the opportunity to try ourselves in a fundamentally new topic. Okay, let's assume that the fever associated with the coronavirus will only last a week or three. But during this period, our employees will at least sell the goods in demand, and not sit idle!

As a result, Vladimir agreed with my arguments, and we rushed to look for masks.

**Vladimir Sakovsky:**

*Entrepreneurial instinct prompted Oleg in a new direction. Not for the first time and, I think, not for the last. He is often led to the necessary thoughts by either an inner voice, or an analytical mindset.*

*I caught myself thinking that he had been right many times, and therefore this time, perhaps, too. Masks are masks - let's try.*

Buying medical masks in the early days of the pandemic proved to be a huge challenge, even a small batch for employees. And this despite the fact that usually we managed always and everywhere. For example, a couple of years before that, we had an embarrassment. On December 31, a large corporate client calls and says:

- You forgot to insert the introductory speech of our CEO into the booklets!

Two months of work - in the furnace. It is necessary to reprint the entire circulation, and very urgently! The very next day, a plane departs

with a cargo of these booklets, which will then be delivered to all offices of the customer's sales offices. And, imagine, we met this tiny deadline! Our employee ran with a new circulation almost directly to the plane's ramp. So "failed", "did not have time" - this is not about us.

Nevertheless, we could not find the protective equipment that suddenly became scarce - neither 10 cents apiece, nor 20. There were only fake offers: there is a product on the site, but in reality it is not. Finally, Vladimir, the most zealous of us all, somewhere found masks for 40 cents apiece and bought them in the right quantity. And that's with the pre-pandemic price of 5 cents!

While we were looking for a product, we made a website maskiest.ru, launched an advertisement in Yandex.Direct. The masks were bought through Avito for cash, for this we had to withdraw funds from all our cards with directors Vladimir Sakovsky and Eduard Dzhegutanov. Even personal savings were used. Why, I was ready to close and cash out my dollar deposits if necessary. I believed that the mask trade would not only pay off, but also bring us great profits.

**Vladimir Sakovsky:**

*By hook or by crook, we found masks on Avito. We bought them through a chain of intermediaries. One of them placed an ad on the website and contacted customers. The second knew the third, who had the desired goods. The fourth was their investor, who gave money to buy these masks from manufacturers for resale. In general, it turned out that the market is very non-standard, I'm not afraid of this word - speculative.*

*At first, we could not agree with the sellers for a long time about where exactly the transaction would take place. They wanted everything to take place in Reutov, at night, under some kind of lantern, like in a*



*detective film. Remembering how such meetings usually end in the cinema, I said: "Guys, we don't know you at all!"*

*In the end, the deal was scheduled for three o'clock in the morning, near the entrance to our business center. The car with the goods was coming from somewhere in Ivanovo. First, a jeep and a motorcycle drove up to the business center. The guys came out of there, looked at us, made sure that we had money, and told the others that they could do business with us. Well, just like in the movies!*

*Then the crossover arrived, also without goods. We, looking at all this auto show, stood still for almost an hour. Finally, there was Porter, a small truck with masks, followed by an investor in a Porsche.*

*Eduard and I unloaded several boxes of goods and moved them to our office. That's the whole operation.*

After unloading, we gathered the employees, and I gave an inspiring speech: "Guys, a new era has arrived: we are starting to sell masks! Everything will be great, we will earn a lot of money and become rich. Because we are great, we have a lot of sales experience and a well-coordinated team. Let's go!"

People listened to our proposal without much enthusiasm. They could be understood: the company at that time had accumulated a lot of problems due to the pandemic that needed to be urgently solved, and here we are with some strange ideas. Where is the advertising agency - and where are the masks? As I remember the words of Sasha Gladkov now: "The bazaar is voluntary, I'd better go and bill Tikkurila."

Vladimir and I decided: okay, let's be pioneers, let's set an example for our colleagues. We transferred all calls from the site maskiest.ru to ourselves, Vladimir was the first to get on the line. Then Eduard got

involved, because Vladimir did not have time to write down the phone numbers of people who made orders alone. They called, called, called, wrote, called again - endlessly, from morning to evening. We tried to answer everyone, but it didn't always work out.

**Vladimir Sakovsky:**

*We received not just a large, but a HUGE number of calls. Oleg then flew away for a couple of days to rest in Sochi, and even there he had to periodically pick up the phone, as a third line of forwarding. He walked along the promenade with a notebook and answered calls. And still, when I hung up after a conversation, I saw four missed ones! It was the same for Eduard and Oleg.*

*In a short time, we received two hundred calls and collected thirty to forty orders. They were simply not ready for such a huge number, they had to call friends who have cars and temporarily hire them as couriers.*

*Soon, customers began to ask the same question in unison:*

*- Do you have respirators?*

*We urgently started searching, selecting and buying a new product. With respirators, everything was about the same as with masks. The niche is ten times smaller, but with the same speculative scheme. We took everything we had at any price, multiplied it by two or three, and sold it. And people were buying!*

*Gradually, they began to expand the line. Gloves have been added to the assortment. We decided not to bother with establishing a chain with some large company, Eduard went to the hypermarket and loaded the entire pallet of gloves that was there into his car. They looked at him like he was crazy.*

*We sold this pallet in two days. Then another and another. Then we found where you can buy gloves by bank transfer. And this new direction of ours grew by leaps and bounds.*

Soon we began to buy masks in bulk for 30 cents apiece, sold at retail for 80. That is, the margin from the goods was high, but it was eaten up by the expenses of the advertising agency: salaries, office, warehouse, taxes, and so on. In the meantime, sales went on and on, and, seeing the active "movement", the team also slowly began to connect to us. Which is what we wanted.

When the president announced a non-working holiday at the expense of the employer, the directors and I gathered all the employees and warned them that we were switching to a six-day work week. They called on the entire team to go on official unpaid leave (on paper), and in fact to continue working. What will happen tomorrow is unknown, but today you can make money selling masks, and we will do it. If we get a good profit, we will be able to move on. If not, it will certainly not be good for anyone.

Once again, I will pay tribute to our wonderful team: the staff supported us. They saw that we knew what we were doing. The rest, as they say, is a matter of technology - that is, common labor. And these people have never been afraid of work!

**Tatyana Karnasevich, accountant, Medor employee since 2014:**

*Oleg Krutko very quickly reoriented the agency from advertising to the sale of popular goods. I saw an interesting new opportunity in a situation where other organizations were closing in a panic.*

*He retained all employees who were not afraid of the pandemic and continued to work. We even have new people. Oleg gave everyone who wanted the opportunity to earn money. I'm sure not every director can do that!*

*When there are difficulties in my work, I come to him to talk, ask for advice. He will always listen and make a decision or offer an alternative.*

*In general, I am glad that I joined the company "Medor" then, in 2014. It was a difficult time, a crisis. My child had just entered a university in Ryazan, and I had no job, since I quit my job in Samara (I was laid off). As a result, I came to the capital, to visit a friend, and decided to stay. She suggested that I look for a job, and I got a job here. So I'm still working. And even when a little panic began around in 2020, we all passed this test quite smoothly. For example, I switched to remote work, and the promises that the management gave us were all fulfilled. That is, for example, the salary has not decreased. What can I say, even new employees have appeared - and this is in the midst of hysteria associated with the coronavirus! In general, the further, the more interesting. As you can see, we began to engage not only in advertising, and this pleases. When a company does not stand still and constantly creates something new, it is always good. So, at least you won't be bored!*

So, instead of non-working days off at the expense of the employer, we switched to a six-day week. That is, people, everyone who remained, worked from Monday to Friday, and were distributed for the weekend: someone worked on Sunday, someone on Saturday. At first, they received as much as before the pandemic, and no more, but they did not complain, realizing that it was better than sitting without work and salary at all. Vladimir and Eduard and I worked hard in this format: 14-15 hours on weekdays and 10 hours on weekends. I write "everyone who stayed"

because half of the employees still left us. Someone moved out of town and refused to return to the office, someone did not want and could not work in the new mode. Well, they can also be understood. All people are different, especially in extreme conditions, everyone behaves in their own way, due to the characteristics of their body or character.

Personally, my adrenaline was so high that I returned home at two or three o'clock in the morning, since I had a seven-minute walk from the office to the house. Although sometimes I did this way on a scooter - this is a separate pleasure! And in the morning he was one of the first to come to the office and plow. What is surprising is that working at this pace for several months, I did not feel tired at all.

And I wasn't the only one who gave myself entirely to work for the good of the company... As a result, thanks to the accelerated pace, our profits have doubled!

If it weren't for the idea of selling protective equipment, there is a high probability that we would have lost not half, but all 80% of the team. The pandemic helped us identify a loyal core - people who survived and withstood all the difficulties. These superhumans, super teams, with whom we still have a lot to accomplish.

New employees also came. During the pandemic, we managed to work as a restaurant manager, an Aeroflot steward with knowledge of English and Chinese, a business coach, a kindergarten teacher, fitness trainers, and owners of travel agencies. We just published a story on Instagram with the following content: "We need people, let's take them without experience, salaries from \$ 1500." Not a bad salary during a pandemic! There were so many calls about the purchase of masks that

sometimes it was even necessary to stop advertising so that there was time to process the applications received.

The main requirement for applicants is to strictly adhere to the principle "we promised something to the client - we fulfilled it." If a person contacted us and left a request, he at least needs to call back, advise.

**Irina Mikina, Sales Manager, Medor employee since 2020:**

*I ended up at Medora just in time for the pandemic. I was invited by a friend who had been working here for twelve years. She knew that the tourism business, where I worked, was simply bent at that time. Of course, I agreed.*

*I was brought up to date, given a phone, a computer - and that's it, sales began. The phone, as in the movie "The Wolf of Wall Street", did not stop - calls came in until two o'clock in the morning.*

*In Medor, I found a circle of successful people whom I want to look up to and whose level I want to reach. As the saying goes, if you want to be successful, communicate with successful people.*

*In my understanding, a successful person is someone who has a dream, and he goes to it, achieves his goal. He wants, can and does. The agency employs just such people. They are an example for me.*

*I learn from them, absorb new knowledge like a sponge. The management records training videos so that employees get acquainted with the product, provides materials for study. Although we have a small, but sensible library. If you ask the management to supplement it with a certain book that is necessary for all employees, then they will buy it.*

*So there are many opportunities for development here, there would be a desire!*

**Tatyana Kryukova, Head of Sales, Medor employee since 2020:**

*I came to Medora in the direction of selling masks as a temporary option for work. But when quarantine was introduced, there was no trace of doubt. Everyone's business got up (mine, also tourist, where I came from, died altogether), but our work in the agency was in full swing around the clock.*

*The world froze, everyone was in a panic - and we, on the contrary, were on the rise!*

As I was told by familiar entrepreneurs, many, looking at us, tried to repeat our experience with the sale of protective equipment. But no one succeeded. Everyone left this segment of the business with unsold goods or sold their leftovers to us.

What have we done that others have not succeeded in?

**Discipline - on coronavirus!**

Internal regulations and rules helped us to successfully cope with the period of the beginning of the pandemic. I was inspired to introduce them by a trip to the Republic of South Africa. There, the rules are stricter than in America, and the locals strictly observe them.

For example, we have developed a system for evaluating counterparties. They must:

- have a good reputation on the network;
- work in the market for at least three years;
- not to have a lot of lawsuits on complaints and customer dissatisfaction;

– regularly pay taxes, etc.

In the same way, we have described the requirements for clients in order to clearly know who we will work with and who will have to refuse.

We also formulated the rules for processing orders:

– you can't take customers away from each other;

– if you promised to call the client back within fifteen minutes, you must do it no later than this time;

- If the manager does not do this, we remove him from the line and send him on an unpaid day off.

And there are other rules too, the list is quite large.

For the period of the pandemic, we still had to remove some managers from salaries, leaving them only a percentage of transactions. And these employees were so motivated by the new system that they started earning up to \$6,000 a month. That's what real results mean!

The agency "Medor" managed to significantly improve its position. We formed a tender department, which we didn't have before, and finally hired a lawyer. This is an important person in the company. An entrepreneur is created in order to take risks, and lawyers are created to say in response to every undertaking: "This is too dangerous!", "We can be deceived!", "A dubious deal, we must first figure it out." Of course, you need to listen to his advice. The main thing is to find a balance between caution and reasonable risk.

So, we made very good money on the sale of masks. In addition, the advertising agency has significantly improved its results due to the



preservation and multiple growth in the number of clients from those business areas that have become more in demand than ever during the period of self-isolation. Taxis, large department stores and those companies that have navigated the changing environment and organized a delivery service for their goods.

Yes, by the way. On the very first day of work on the project with masks, we began to call for food delivery and feed employees at the expense of the company. And so a new tradition arose - to order lunches and dinners for employees if the work is delayed. It became clear: you can't last a whole day on chocolate bars from vending machines alone, people need normal food.

This, of course, is not cheap - it costs as much as renting an office per month. But we decided that we would not give up the cost of meals for employees.

**Eduard Dzhegutanov, worked at Medor from 2011 to 2013 and from 2018 to 2020.**

*I would compare this company to... Freemasons, in a good sense of the word. Remember the slogan of the freemasons: liberty, equality, fraternity. In Medor, each employee is free in his choice and decisions, everyone is equal due to motivation and the same conditions for all sellers. And this is really a brotherhood - "Medor" has become a friendly family for many specialists.*

*I myself worked in the agency twice, both times for a year and a half. He started as a sales manager in 2011, then became a development manager and left at the end of 2013. The second time he came to the position of Development Director was in 2018.*

*The first impressions of the company are that it has been and remains very correct, honest with its employees. But, in my opinion, it is not technologically advanced.*

*Perhaps that is why Oleg Krutko and I had differences in our views on how to conduct operational activities. I always try to work out the process to perfection, immerse myself in the details of the business. While Oleg is a visionary, a strategist. But I respect him as a specialist and professional. Once again: I am a procedural person. I try to immerse myself in the details, trifles, work out the process so that it proceeds perfectly. Therefore, at some point, I decided to leave the company.*

**Vladimir Sakovsky:**

*Edward left our company, yes. But then this happened. It's been about eight months since Oleg called me after MosStand to partner with a large agency. At this time, he traveled a lot, often leaving Russia to learn the language, to develop. I wasn't just "abandoned," but rather with a higher level of responsibility than I was physically ready for.*

*Such a number of actions and operations and their multipolarity was too much for me. And Eduard, who remained a friend of the company, was just visiting - both in connection with orders to Medor, and just to chat. We found out that he has useful ideas for the agency. He sees our problematic moments and some of my "emptiness". Because technology is not about me at all, but just about Eduard!*

*We agreed that we could be useful to each other. Together we could solve those issues that I would not have dealt with alone. We agreed with him on everything and started working together. I was the executive director, and Eduard was the development director, our tandem lasted another year and a half.*

### **Eduard Dzhegutanov:**

*My responsibilities in that position of development director may seem boring to some: I wrote regulations and instructions, designed them in such a way that it was easier for employees to perceive them ... But he did it enthusiastically, with sincere love for what happens in the end! When people stop resisting innovations, accept the need to switch to a digital format, to some standards, consistent actions, in the end it turns out to be very convenient. This saves a lot of the company's resources!*

*By the way, how to overcome the resistance of the team? Through the so-called "influencers" – opinion leaders who are in every organization. Further, these leaders spread ideas to the masses, and they are less resistant to the innovations that are conveyed to employees at various meetings.*

*Often, 80% of organizations do not have the ability to regulate work processes, educate and train people, doing it correctly, consistently. The most important thing is to accumulate a knowledge base, which is what I did at the agency. Rarely does anyone have this base. In "Medor" - there is.*

### **Vladimir Sakovsky:**

*Eduard is perhaps the most technologically advanced person who has ever worked for our company. He likes to disassemble microprocesses: take the most difficult task that no one wants to do, and simplify it, dividing it into components and bringing it to its logical conclusion, so that later it will be more convenient for people to work with it. Some of the tables and materials that Eduard introduced in our company, we use to this day. Thanks to them, the work of accounting and communication between it and management has been simplified by 10-*

15%. The milestones that we passed with the participation of Eduard as Director of Development helped us to meet modern realities.

**Eduard Dzhegutanov:**

As of 2021, I work at iResidence (a developer of suburban real estate) as the director of the advertising and marketing department - I am engaged in the synchronization of companies. That is, I am responsible for how our organization should look. For example, at the time of writing this book, we have a goal: to enter the top 7 companies in this area. And if there have been some leaders in the urban real estate market for a long time, then the fence market is very unstable. So we have set a strategic goal: to go there tightly in 2022.

What was the matter? Let me explain: the construction market is the most archaic, only tire fitting is worse. Everything there is based on some primitive, outdated principles, there is no subtle digital approach. That is, what I did at Medora and what I continue to do. Of course, classic marketing is still relevant. And there is always a demand for real estate. It's just that what I do allows me to reach more customers.

Take, for example, grocery shopping. We used to go to the store, and during the lockdown period, we began to order them online. There are certain players in this market: Yandex.Delivery, Delivery Club, Samokat. All of them work on the same principle: the client went to the application, chose food from a specific manufacturer, paid, the courier delivered the order. As a matter of fact, this is not one service, but several microservices. There is a logistics module – that is, a person with a backpack who rides back and forth, there is a display case module that shows food, etc.

*It's almost the same in our field. If you can buy an apartment online from some developers, then the plot is not yet possible. I am working on this task, and I hope that we will implement it in 2022.*

*I have a specific task in front of me: to completely digitize the entire process of acquiring a site. So that a person independently chooses and registers it online, without personal presence. No offices, signatures, seals - nothing is needed. There are several other areas that need to be fully digitized, but this is a story for a separate book!*

*And I still cross paths with Medora on some issues. Although this is usually not related to the main area of my interests.*

*Is there a chance that I will return to Medora for the third time? It depends on what this company comes to. I'm not talking about the agency itself, but about my own path. If I see a task for myself that is interesting to me, and my eyes light up, if I understand that I can be useful, apply my knowledge and skills and develop them, then I immediately take up this business. The place of work does not play a fundamental role. I came to Medor from iResidence, and then I returned there.*

*I'm really interested in doing regulations, programming, data analysis. I'm utterly boring in this matter! Work is my hobby.*

So, back to our story. Even during the pandemic, the agency continued to live a full life. Everything went well, to the point that for the period of the pandemic, the business center in which the Medor office is located gave a 30% discount on rent. It is noteworthy that we have never used the premises so intensively - from morning to night. Since some of the employees were remote, we equipped a gym in one of the large offices. We bought a barbell, dumbbells, a jump rope, put a large TV.

My day usually went like this: breakfast, came to the office, worked. After lunch, I ran around in the park for about an hour, trying not to catch the eye of the police. I went back to the office, worked out in the gym and worked again until nightfall. During the pandemic, I got in great physical shape, perhaps better than ever!

It's even a pity that now we have turned the gym into an office again. But we left the food for the employees. This is better than installing snack machines in the office, and is beneficial in all respects: if the employer provides employees with hot food, then they have more strength to work, and the attitude towards the company improves.

Also, during the pandemic, we paid for taxis for those employees who did not have their own cars, and they were afraid to ride public transport. And for some employees who lived very far away, we rented a house near the office. Then, however, we realized that this was contrary to our principle: financial conditions should be the same for all employees. Why do we pay rent to someone, and not to others?

So when the government allowed us to leave the house, we did the following. Employees of the client department for every \$15,000 in margin began to be given an additional bonus of \$500. The manager could spend it on renting an apartment or pick it up in cash. The implication was that those employees to whom we rented an apartment had to earn bonuses that went to pay for housing near the office.

That is, we try to provide our employees with equally good conditions. We do not have such a salary that a person who has been working for twelve years has a higher salary than someone who has come recently, but shows a more productive result. People get exactly as much as they earned, regardless of origin, seniority, and so on.

**Galina Kulikova, Head of Sales, Medor employee since 2011:**

*I have been working at Medor for a long time, at the time of writing this book for ten years. I came with a great desire to earn a lot of money and establish myself in Moscow (I myself am from Perm). Such is the challenge to myself. I had little experience, but I was overwhelmed with enthusiasm, which I directed to work, the development of a new field for me.*

*I devoted almost all my time during the day to the agency, and in the evenings at home I diligently prepared for the next working day. And I got great pleasure from the powerful feedback - I managed to earn as much as I planned.*

*In short, I like the work I do. I like the image of the head of the sales department. It is interesting for me to develop in this direction.*

*I must say right away that not everyone succeeds in being a sales manager. There are people who, in principle, have a different mindset, they do not like to sell - they are shy or do not know how. Well, surely they will find themselves in something else.*

**Nigora Ashurova, Head of Department, Sales Manager, Medor employee since 2012:**

*I will add to Galina's words, in 2012 I decided to change my place of work because of the small salary and came to Medor. At my previous job, I was bothered by the need to rely only on a salary, not being able to "jump over" it. But when the salary depends only on you, this is a completely different matter.*

*If a person begins to feel sorry for himself or give himself indulgences, then it is unlikely that he will succeed - not only in business,*

*but also in life in general. Therefore, I took on any job, knowing that I could only rely on myself - I raise the child alone. After becoming a sales manager, I never tried to choose customers "fatter" - I worked with everyone. This is true - everyone is treated equally.*

*I found the secret of the success of a long and successful work in the company precisely in taking on any business, taking the initiative. I'll do one thing, the other, and in the aggregate I see: it turns out well.*

*And if you sit and wait for the weather by the sea, then nothing will ever come of it. I know that everything depends only on me. Ideas, desire, zeal come - you have to try everything. Until you try, you will not understand whether it will give a result and what it will be. What if you get everything you wanted, and even more?*

## **Chapter 7. Correction of mistakes**

### **Portrait of the ideal manager**

Separately, I will tell you about our super-cool client manager Olga Nadzharova. The fact that the advertising part of our business did not sink during the pandemic is largely its merit.

It came from a small advertising agency, which, as I have already said, like many others, tried to copy Medor. But why a copy when there is an original? Apparently, that's what Olga decided - she quit there and got a job with us.



Every day she stayed after work and listened to audio courses, watched training videos, read useful books, delved into the specifics of our business ... For six years of work, Olga, starting with a salary of \$ 300, rose to a monthly income that can be envied by top managers of large corporations.

What helped her to achieve such indicators?

Continuous learning, healthy perfectionism, self-exactingness - these are the features of an ideal manager.

I also note that the best Muscovites sometimes move to New York or London, but the most talented and hard-working people from Voronezh or Kiev usually sooner or later find themselves in the capital of Russia. Where they work hard and achieve excellent results!

So, thanks to the fact that Olya studied every day, she was able to lead such a large client as SberMarket. She also had other, no less respectable and well-known customers: a pizza delivery company and a large logistics network, and a lot of things.

So that you understand: the larger the client, the greater the problems that may arise when working with him. For example, a pizza delivery company also expected us to promptly fulfill all their whims. For example, at lunchtime, they sent a task and demanded a report on it the next day in the morning. Olina's group again worked as hard as they could, just to get the job done on time. Although in order to compile a complete, high-quality report, in an amicable way, it takes not half a day, but two weeks. The most unpleasant thing is that as a result, it turned out that the customer did not actually need these materials.

That's okay. Here is the international transportation network with which we worked, demanded a lot, but paid so-so. They entrusted large

projects to their own marketing department, and they gave us to correct their punctures and blunders, and with the requirement to do everything as soon as possible.

A common situation: on Tuesday evening, they received a task that was required to be completed by Wednesday morning. The whole group under Olga's leadership stayed up late to work, just to have time for everything. And even if it was not a big project, but a minor revision, it was still necessary to delve into it, figure out what's what, spend time. And there were really a lot of such mini-tasks, and they paid for each quite a bit. The moment came when Olya, with the support of Vladimir and Eduard, nevertheless found the strength to abandon the toxic client and did the right thing.

In general, there were many ugly situations that we encountered. Here is a typical example.

There was a time when all food manufacturers went crazy over the legendary juice commercial "My Family":

"Won't you burst, baby?"

"And you pour it and move away."

Remember? We were ordered the same memorable viral video. To complete the five-plus task, we chose a child actor for a long time, held a bunch of castings for this. But after all the work we had done, the company said that none of the children was suitable for them, and took on the role of ... A child very similar to the client's daughter, or even the daughter herself, is now definitely not remembered. What a shame it was for the client manager and all the casting producers!

If this client at least paid on time, then it would still be possible to endure such jumps, put up with them. But he was often late with payments. In general, this company consistently provided us with a headache, especially Olga, morally devastating her, taking away time and effort that she could devote to other customers. So she had to break with this company.

Olga focused her efforts on a pleasant and promising client who, even if he makes serious demands, pays on time. I'm talking about SberMarket, whose volumes have grown fivefold during the pandemic. This was facilitated, of course, by the fact that the e-commerce market and marketplaces as a whole jumped sharply. But I like to think that both our agency and Olga's brilliant work have contributed to their development. And the customer, in turn, adequately rewarded us.

By the way: when employees like Olga receive more than a decent salary in our company every month, several times higher than the market, implementing projects and receiving interest from it, I am happy. As John Gray writes in *Men Are From Mars, Women Are From Venus*, which I mentioned earlier, a man's happiness lies in the happiness of a woman and, more broadly, of his family. And for an entrepreneur, his team is the same as a family. The director of the company wins trophies and shares them with his employees. They are satisfied, and the manager is even more so.

Now, as I write this book, I have a cherished desire: that we have a manager who will receive \$ 150,000 a month. This means that the company's profit will grow significantly, and we will reach a new level.

I will make an important remark here. There is an opinion that it is visitors who achieve the greatest success in Moscow. They say that non-

residents have to work hard, just to have something to pay for housing - otherwise they will have to return from the capital to their native lands, and this is a step back. Whereas native Muscovites do not know such a problem, and therefore are less persistent. Well, this is true, but only partially, because there are also enough hardworking Muscovites. Modesty will not allow itself to be praised, so I just nod at my colleague, Vladimir Sakovsky.

**Vladimir Sakovsky:**

*I have been working part-time since I was fourteen years old. At first, the ice on the streets was chopped, then he worked as a courier, as a dispatcher. Perhaps, if I hadn't met Oleg, I would have gone to work in the public sector, because I was in the government of Moscow backups. It was under Luzhkov that there was such a student project. I was the understudy of the deputy head of the department of social protection for work with the homeless and neglected. We sat for four or five hours and corrected these bills for our luminaries. Of our own, we had only one project: the conversion of Moscow to energy-saving light bulbs.*

*And at the same time, since I studied at the social university of the RSSU, there were many departmental projects. In short, there was something to do. I managed to get three serious job offers: from the council, from the prefecture and from the city department of social protection.*

*That is, I had the prospect of becoming a leading specialist in the public sector, within three years to grow to the head of a small unit in some direction. And in the perspective of ten years, it became quite interesting. A big bet was just made on young people, they were waiting for them everywhere!*

*Why did I choose commerce over the public sector? This path seemed to me simpler and more understandable. There are a lot of incomprehensible pieces of paper, a lot of things need to be read, written, talked, done. And then he worked hard for thirty days - and received a tidy sum in cash.*

*I made my choice and do not regret it.*

Here, by the way, I will reveal another professional secret. It generally concerns the relationship between the owner of the company and his employees.

### **When a manager gets more than a business owner, that's fine.**

As you understand, an employee, unlike a businessman, does not pay taxes related to entrepreneurship, does not give money for accounting, office rent, and so on. In our agency, the main expenses are not even related to all this, but to the development and expansion of the company. More specifically, with the hiring of new people and their work during the probationary period. It happens that beginners make mistakes. I have already written about how I once hired an online store manager, and the profit first decreased noticeably, and then we went into a deep minus. That was the price of my mistake!

Another unpleasant story is related to our warehouse. I will give the floor to Vladimir.

### **The warehouse and its "small" problem**

*Vladimir Sakovsky:*

*For a long time, we could not understand why our warehouse makes so many mistakes. It would seem a banal story: an order form is printed, the collector looks at it, collects, packs, sends. What could be easier? And it turned out that out of every twenty shipments, three or four were obtained with an error, and not only quantitative (instead of five units of goods, four or six were put), but also qualitative: instead of one name, they put a completely different one. At the same time, the warehouse staff worked hard, just knocked down. And there was no such thing that a single elderly storekeeper was responsible for everything, who walks with difficulty and does not see anything.*

*In short, I couldn't figure out what the problem was. In the meantime, managers constantly complained about the warehouse, moreover, very emotionally, and customers, in turn, yelled at them ... Such is the vicious circle.*

*And so I decided to personally work in the warehouse for a few days in order to delve into everything. Because it is impossible to understand the essence of each work remotely. And even more so - to be such a "smart" boss who declares: "Fix everything there!" - and he himself has no idea how to do it. That's not how they work at Medor. If you want to teach someone how to do something right, you have to try it yourself. And understand: maybe the system is not built so initially, it fundamentally works wrong!*

*Therefore, I moved to the warehouse for a few days, where, together with the employees, I printed, reviewed, corrected and collected orders, answered the managers. And I found that the warehouse employees did not feel involved in the team and the overall result, they did not care about the quality of the picking and the quantity of returns, because their salary, as well as the workload, did not depend on it.*

*However, joint work removed some boundaries, the guys became more teamwork. We have added bonuses for quality work and overfulfillment of the plan in rubles (more high-quality shipments = more money), and fines, both personal and for a shift. Colleagues have an incentive and a humanized portrait of a leader who can also unload cars and collect orders without undue disgust for any work. In addition, since the boss also does it two to three times faster, it means that it is possible.*

*As a result, we slightly changed the process of collecting these orders. We introduced an additional employee to the warehouse, whose task is to be at the computer 100% of the time, respond to managers in chat and phone calls. He also prints out all the order forms and additionally checks them after assembly before shipping. All drivers, logisticians and couriers sign upon receipt and also look at what is in the order.*

*In addition, we have slightly changed the order packaging system. And - it was Oleg's idea - they ordered that each form should have a seal with the name of the collector. After all, if out of a hundred orders there are twenty with jams, then perhaps it is not the warehouse as a whole that is to blame, but a certain conditional "Peter", while the rest of the employees are cool guys. This means that everyone needs to raise their salaries, and this "Peter" should be fired.*

*As a result of my work in the warehouse, we managed to remove the defects and all the jams almost completely. A little more - and it would be 100%, but Oleg said: "We can afford to leave a small percentage of incorrectly collected orders, but not you as a warehouse manager! Because, solving one difficult problem, you abandoned all the others. And the cost of your time is still higher than that of a warehouse employee.*

*He was right. Some problems are more profitable not to solve financially at all than to deal only with them, forgetting about all the others.*

*You may ask: how was it necessary to act then? After all, there was a problem with the warehouse, you can't get away from it ...*

*It's simple: this issue should have been resolved faster. Instead, I kind of "got into the rhythm of the warehouse" and became a little slower. I could well have been engaged in this task for another week, and we would have reached 100% effectiveness. Although, one way or another, after my departure from the warehouse, a certain percentage of defects still returned. Then why should I waste so much time?*

*Objectively: I needed to deal with the warehouse as soon as possible and leave there for the next site. Yes, my brain relaxed there perfectly, got rid of stress, while I focused on one simple problem ... But the rest have accumulated in the meantime!*

*I can draw two conclusions:*

- each specialist should do his own thing;***
- And if he corrects other people's mistakes - let him not forget about his main duties.***

Here's the story.

You will say that mistakes happen in any business, no one is immune from them. I agree, but some measures can still be taken in advance.

Now I'll tell you about what we came up with.



## **An airbag named "Medor"**

I know that many entrepreneurs, after they have paid taxes and salaries, spend the remaining money for their own pleasure. They buy expensive cars and apartments in the center, arrange parties ... They think they'll get the same amount of money, if not more, next month. But, as the events of 2020 showed, even the most successful business can collapse overnight for reasons beyond the control of its owner.

Therefore, we decided to distribute only 70% of revenue for current needs, and leave 30% of the earned money for business development. This amount is insurance against human errors and any bad luck.

Medora has a development fund, which is quite large and constantly growing. It lies unshakably on the current account, to the delight of the bank, which has received an attractive client in our person. This money gives us the right to make any mistake. We can afford to hire a newcomer and not be afraid that he will mess up, drive the project into the red. Or we can open a new project in an unknown area and spend on, say, \$25,000 on it, just to realize that this segment is not for us. And then safely abandon it.

For example, January 2021 turned out to be a bad month for our exhibition businesses and online stores, because exhibitions have not yet come to life after the pandemic, and sales of personal protective equipment have already declined. But we still paid a "subsidy" of \$ 500 to all employees of the client department who were not on their salaries. Yes, the amount is insignificant, but significantly higher than what the government offered in difficult times.

**In my opinion, the employer should support employees in the months when the company's sales are falling.** We understand that everyone has mandatory payments - for an apartment, for a kindergarten

for children, for a loan, etc. And the car needs to be refueled, and a relative on his birthday to congratulate, no matter whether there is a crisis in the yard or not.

**The right company will always support its conscientious employees!**

At the same time, the employer must be prepared for the fact that no one will say "thank you" to him for this. Such kind gestures are usually taken for granted. And if later the business owner has to fire someone from the staff, then he may remain a bad person in their eyes. But that doesn't mean you don't need to support employees! After all, when they are happy and do a great job, the company grows and prospers. Isn't it?

## **Conclusion**

Before concluding this book, I will once again give the floor to my friend and colleague:

**Vladimir Sakovsky:**

*Energy and focus on achievements, completing tasks and setting new goals - this is the continuous process of the company, where a striking example is the CEO himself, who demands more from himself than from others.*

*As you already understood, we try to take new team members for a long time, while we are ready to help, teach, prompt, give the opportunity to make mistakes and correct our mistakes. We need that small percentage of people who are ready to think about problems, offer their*

*solution, who have great ambitions and can work in a team, making their contribution, including moral.*

*Those who are accustomed to working stay in Medora for a long time. They are inspired by the example of the company's top officials and move forward without stopping.*

*Everyone has personal goals - to earn an apartment, to provide for a family. "Medor" helps to achieve these goals and reach a high financial level. As employees grow, so does the company, and the development of the agency opens up even more opportunities for employees.*

*Everyone I see every day in the office has gone through difficult times with Medora and proved with their hard work that they are part of the team.*

*From the pages of the book, I want to thank everyone for their super efforts - working late and on weekends, solving such issues that seemed unsolvable. Your every action has promoted and is moving all of us to another victory. And with it to the evolutionary transformation of the company and the team!*

*Thank you!*

It is with great pleasure that I join Vladimir's words and sincerely thank all the employees of the Medor agency: former, current and ... Future. Yes yes! We continue to build a super team, and we, as always, need people. You already know which ones. How the interview goes, what you have to do - too. And most importantly, we tried to tell you in detail what the advantages of working with us are.

To summarize: in our company, everyone has the opportunity to earn exactly as much as they want. No "ceiling" - it all depends on your

ability to work and desire to work. We, in turn, always meet conscientious employees halfway and try to organize for them all the conditions for comfortable work. And the unscrupulous do not stay with us - you already know this too.

I am finishing this book in January 2022, when the pandemic is not over yet, but it will end sooner or later. And the work of the agency will return to its previous course: Medora will continue to develop and conquer new horizons. Right now, in a period of relative calm, is the best time to join our close-knit family.

"Medor" is open to everyone, let's get acquainted!

**Write to us at [info@mosreklama.ru](mailto:info@mosreklama.ru)**

And yes, thank you very much for reading the book to the end!



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