



## **An Overview of the History of The Right Source**

Written by Lori Williams

The origin of LW and Associates dates back to an earlier company, The Right Source (TRS), established in 1991 in Dallas, Texas. In its early inception, TRS functioned as a Macintosh production house, producing printed marketing collateral for advertising agencies. During its six year existence, the company experienced much iteration. As is common with many emerging companies, from the time of inception to on-going concern, old economies disappear and new ones surface. During the time period that TRS was in operation, this was especially true.

With the advent of Macintosh computer, the advertising industry became volatile and ever evolving as the advertising agencies tried to determine “how and if” to embrace this new technology. During the first three years after the introduction of the Macintosh, the industry’s processes became chaotic and the way the “game” was played seemed to change on a daily basis. Part of the turbulence can best be illustrated using the early adopters concept developed by Mr. Everett Rogers (This model is explained in detail below). Innovators and early adopters of the Macintosh disrupted the old technologies and processes; conversely, the early majority had not yet embraced the technology leaving a lagging gap in skilled labor. TRS was founded in response to this systemic transformation; a solution to this market discrepancy. However, soon the marketplace was flooded with qualified applicants and TRS had to reinvent itself or risk a loss in market share and pricing power. As a result the organization learned to swiftly transform when market share or price points became impossible to maintain.

TRS rode this tidal wave and tried to proactively defend its market space as each change took place. The company’s strategic metamorphosis was prompted by both a need to adapt to external environmental changes and a desire to leverage new capabilities, gained through the hiring practices and/or the formation of strategic partnerships.

In 1993 marketing and public relations was added to its service offerings; thereby changing its market positioning into full service advertising agency and in essence competing directly with its earlier client base. Two years later the company once again expanded its market reach, with the addition of consultation services, seminars and training to entrepreneurs. This increased the company’s exposure to the business community and provided a continuous flow of new client opportunities.

The evolution process forced the company executives to stay focused on the marketplace and develop new skills as needed. As difficult as it may have seemed, in

hindsight, the need for constant reinvention was a great learning experience and provided strong fundamentals going forward.

This process was especially insightful for Lori Williams, the company's owner. In fact, before TRS closed its doors, the vision for LW and Associates had already been established. For this reason TRS remains an important influence going forward, as its rich history provides the fundamental business acumen and long-term strategy for LW and Associates. Therefore, an understanding of the origin of TRS is crucial in defining the intent and purpose of LW and Associates.

### An Industry Transformed

As the Macintosh gained a foothold into the design community, almost overnight the production processes used to create advertising collateral was redefined. However, it was not the advertising agencies that first welcomed this new technology. Adoption of the Macintosh required process engineering that was costly and complicated. Moreover, the large cash outlay required to purchase the Macintosh system was characteristically uncommon for advertising agencies. Aside from the real estate component, salaries had historically comprised the largest portion of operating capital. Functioning as a service industry with very few hard assets, advertising agencies were not accustomed to capital investments in plant and machinery.

Additionally, the advertising industry was worried that the Macintosh would threaten the perceived value of design. A concern was expressed repeatedly by principals at several of the well-known Dallas design firms, such as The Richards Group, Sullivan Perkins and Sibley Petit. Graphic design had become a skilled profession that required education, expertise and talent. Their ability to produce a marketing product capable of providing profitable returns made them invaluable to the business community. This required an artistic ability to sketch ideas onto paper, thereby producing a communication media capable of directing the typesetter. In the designer's mindset, it was the typesetter who was responsible for turning their internal creative vision into printed form. To this end, they saw computer production as a task for a tactician, skilled in the science of mathematics and computer language but not necessarily gifted in the art of design. The thought of requiring a graphic designer, known for their artist expression, to work at a computer was unfathomable for this elite community. Unfortunately, for the luddite graphic designer this period of obstinateness was short-lived.

Maintaining a skilled production staff was limiting factor. During the early stages of adoption, few individuals had the talent to operate this new technology. Due to the disproportionate supply of skilled Macintosh operators, aggressive wages could be demanded. In many instances, the wages for skilled Macintosh operators was two to three times the cost of a traditional paste-up artist, causing a steep incline in salary expense. Additionally a large time investment was required to hire and train the production staff. Agencies were constantly involved in talent searches and interviewing, as qualified workers were easily coerced to the higher paying design firms.

As a result quality suffered; much of the marketing collateral produced in the late 80's was void of aesthetic typography. In fact, Stan Richards the founder of the award winning design firm The Richard Group once demanded that the spacing between each letter appeared as if the same number of pellets could be placed between each character

independent of its form. The Richards group only used typographers with the skill and discipline to hand kern each letter to achieve this visual. Sullivan Perkins, another award winning firm, demanded what they called the “long-short-long rag”. This required the typographer to hand kern each word so the end of the paragraph created a visual reflecting a soft flowing S shape. This took countless hours to achieve and sometimes was next to impossible. However, the firm would quickly send back revisions at no charge if the graphic designer believed that the kerning could be improved. Yet suddenly, graphic designers whom in the past would have quickly rejected typography that lacked perfection were accepting imperfect products produced internally on the Macintosh. Often this decision was based on economics rather than aesthetics, as it was sold to the end-users that Macintosh output was less expensive than the traditional method and produced more creativity.

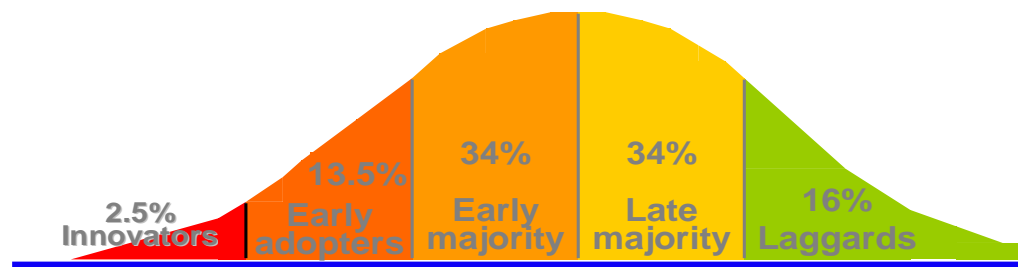
For all the reasons listed above, at first Apple was unsuccessful marketing to both the typesetting industry and the traditional advertising agencies. However, in the mid 80's Apple changed their strategy and began marketing directly to businesses. Aimed at forcing the hand of the design firms, Apple used a pull strategy<sup>1</sup> by marketing the cost benefits directly to the end-users; the corporations that purchased advertising materials from the advertising agencies. (In this they followed a similar strategy as that is taken today by pharmaceutical companies).

The Macintosh was positioned as a solution to high-cost of production and in turn companies awarded contracts to agencies that were utilizing this new technology. This quickly moved the Macintosh product life cycle from introduction to growth and it became an industry wide perception that any advertising agency not utilizing desktop technology (Macintosh being the standard) lacked creativity and was unnecessarily expensive. This industry perception forced the obstinate advertising agencies to quickly embrace the Macintosh. Moreover, corporate demand for marketing collateral produced on the Macintosh occurred faster than the advertising industry could deploy its use. Advertising agencies could not find enough talent and the smaller firms lacked the capital to invest in the needed equipment. This prompted excessive demand for services that had not existed in the past; the need for Macintosh production increased as the traditional typesetter became an unwanted commodity. Eventually traditional typesetting processes were eliminated and an entire industry founded on providing these services was destroyed. Eventually traditional paste-up artists were no longer desired and their skills fell to the wayside, just as had the traditional typesetters'.

# Diffusion of Innovations

Developed by Mr. Everett Rodgers  
background in rural sociology

Bell curve created 1-2 std deviations-



**Time of adoption of innovations**

1. A "Pull" strategy is usually advertising directed at the end consumer. It works to increase end demand, thus "pulling" a product through the distribution channel.

## Establishing The Right Source (TRS)

### *Phase I: Macintosh Support*

Leveraging the disruptive technology, TRS invested in Macintosh equipment and the accompanying software application, Quark Express. Traditional typesetters were hired and trained to function as computer operators, providing the company with the core competencies needed to produce quality typography on the Macintosh computer. In doing so, the end products achieved previously set quality standards for typography and the company gained a competitive advantage.

The company experience a successful first year. Sales continuously increased to the point that TRS had to maintain a large database of contract labor to handle large volume fluctuations. As time evolved the need for elaborate production capabilities increased, and soon the company utilized a variety of freelances, skilled at computer illustration programs such as Freehand, Illustrator and Photoshop.

Although sales continued to increase, business acumen began to suggest that the gains were going to be short-lived. This was becoming evident by the improving

efficiencies at the advertising agencies. By this time many of the designers were becoming proficient on the computer and the design schools were teaching the new technology to students. More often Macintosh production was being performed internally and outsourcing was requested only when the agency could not keep up with the demand. This meant that when TRS did receive a project it was usually already behind schedule and the budget had not included an outside source. Therefore the clients' demanded aggressive deadlines under tight budgets. The amount of freelancers available meant that the agencies could continue to dial the phone until they found someone who could meet their price and time frame. It became apparent that TRS had to restructure or risk being under constant pricing and performance pressure.

Given the fact that the current staff lacked design capability, TRS could not market design services to corporations. Hiring additional personnel or using freelance designers was not a realistic consideration, since corporations choose agencies based on reputations that had been built over a long period of time. This often included client pitches which were done at the expense of the agency. It was unrealistic to believe that TRS could transform itself from a Macintosh production house to a design firm overnight. It was apparent that TRS did not have the financial resources or the expertise to pursue this pathway.

Although TRS did not have a design staff, the production crew was skilled at basic layout and especially skilled at creating complicated charts and graphs. The Macintosh was inept at producing tabs and columns that the charts required. For this reason most charts created lacked aesthetics and appeared as if copy was just dropped into unequal spaces. On the other hand, traditional typesetters seemed to be able to overcome these limitations with a greater ease than graphic designers or newly taught students. This was in part due to the typographers experience with computer programming. The traditional typesetting equipment (202 Linotronic equipment) required computer programming skills and the ability to force the machine to produce unnatural results. The true typography knew which codes would produce the result required. This required an ability to predict the visual output even though it appeared as a combination of computer code and letters on a green screen. It was this core competency that TRS staff possessed that allowed the founder, Lori Williams to notice an untapped market potential.

### *Phase II Catalog Desktop Publishing*

For many year manufacturers had overpaid for catalog production, given the level of design that was really necessary. When a company awarded the agency a contract (defined as being the agency of record) they often produced the catalogs as part of the agreement. Rarely did they discount their fees and the catalogs became a cash cow for the agency. When the agencies were forced to produce the materials internally using the Macintosh, the cost to produce actually increased due to the difficulty in creating graphs and charts.

TRS began contacting local manufactures to introduce an alternative method to produce their catalogs which would result in cost savings. TRS positioned the company as an inexpensive alternative to the traditional advertising agency best used on the

marketing collateral that did not require expensive design expertise. To this end, TRS was able to capture the price list and parts catalogs that were had been produced at advertising agencies. The end-user was able to purchase the collateral at lower cost while TRS was able to recognize higher revenues and profit margins than they company had while providing Macintosh production to advertising agencies.

The first company to make the transition was the Boy Scouts of America. Scout leaders ordered supplies through catalogs displaying the various camping and other recreational equipment available. This was a perfect client for TRS; the catalogs were comprised mostly of pricing charts with minimum design requirements. Quality Doors and Windows, a Dallas manufacturer that sold its products through large chain hardware stores was the second client to come on board. The company provided their distributors with pricing catalogs, which were utilized to provide quotes to customers. Additionally, they needed order forms and inventory tracking forms.

Leveraging the relationship of its two new clients, TRS used a “cost saving success story” to attract additional business. TRS convinced more companies to divert their production needs to TRS and away from the “expensive” advertising agencies. Within six month time period TRS successfully penetrated this lucrative market and the work performed went from being 100% agency-based to 98% end-user. At times TRS was asked to handle materials that require design expertise and in response TRS hired freelance designers. The company chose to hire a designer; thereby adding design capabilities to the core competencies. With that, TRS gained an additional revenue stream capable of being sold at higher price points and entered the next stage of development.

### *Phase III Advertising/ Marketing & PR*

With the hiring of a graphic designer, TRS began offering design services. When added to the existing core competencies, the company was able to participate in the design and development of advertising collateral. It was from these activities that TRS derived two additional revenue streams. Design fees accounted for the largest revenue component with a secondary income coming from commissions generated through media placement and printing.

Unlike before when the company was operating as a Macintosh production house, TRS was now able to successful position itself as an advertising agency. This was due to the experienced gained while producing catalogs for the end-users. Over the two year time period TRS become comfortable working directly with the companies and their clients no longer distinguished TRS from other agencies. TRS’ client base consisted of some large corporations, start-ups and small companies with revenues between 1-5 million.

The award winning design work was still being performed by the top agencies but this was not a space that the company was interested in occupying. This was perhaps due to the fact that no one at the company had pursued a career path aspiring to be a top notch designer. The company and its employees were content working for companies that provided respectful deadlines and paid a fair price for the materials produced, unlike the experiences of working for agencies in the earlier days).

The company took a bold step to communicate this difference to the corporation when it expressed this view publicly through an advertisement placed in the Dallas

Business Journal.

**WE HAVEN'T WON A SINGLE AWARD AND ARE PROUD OF IT!**

**T**oo often, projects under the guidance of award-crazed art directors fail to achieve their clients' objectives.

At TRS, we pride ourselves on our ability to effectively convey the sales message through use of intelligent and well-executed design. We don't enter contests because we realize you're our only judge.

Call our advertising strategist at 484.4840.

**TRS**  
ADVERTISING • MARKETING CONSULTATION • DESIGN • PRODUCTION

That is not to say that the company did not compete directly with other advertising agencies. In fact, some of the more noteworthy agency works involved projects from GTE, Proline Company, Pactel Paging and Beauticontrol Cosmetics. In fact, one of the greatest success stories was winning a contract for Lotto Soccer Sports Equipment after competing against some of the former agency clients.

#### *Phase IV Consulting, Seminars and Training*

In the following year, TRS successfully capitalized on yet another shift, this one on a macroeconomic level. Corporate restructuring in early 20th century led to massive layoffs in the large fortune 500 companies. Not quite at retirement age but with significant financial savings these displaced executive sought to establish their own companies rather than reentering corporate America. The advent of new communication technologies, mobile phone, faxes and voice mail allowed these pioneers the flexibility to hang a shingle and establish their own firms. This newfound entrepreneur often lacked marketing savvy and required assistance on two levels: advisory services and the production of the corresponding marketing materials.

This provided an ideal niche for TRS, which had already gained a reputation as an inexpensive alternative to an advertising agency and whose founder Lori Williams had been presenting weekly speeches and teaching marketing classes in the local community. The benefit of this new marketing pathway was twofold; it allowed the ability to sell time

(marketing consultation) which often suggested the use of marketing materials thereby increasing the original revenue stream of TRS, without incurring the overhead employee expense of the production process. The dichotomy formed with the introduction of the consultation services proved a powerful addition. The marketing consultation became both a revenue stream and a marketing strategy for increases the purchase of marketing collateral, which remained the core competency of the company and the skill base of the employees. Following this new pathway, Lori Williams began offering marketing seminars and became a requested speaker at various business organizations. Noteworthy speaking engagements included IBM Big Blue Alumni, SBDC Dallas- Bill Priest Institute for Economic Development and various other business affiliations.

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**TIME:** 7pm-9:30pm **INVESTMENT:** \$50.00 per person  
**LOCATION:**  
 One Metro Square  
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 Suite 220  
 Dallas, Texas 75234



**TRS**  
THE RIGHT SOURCE

This new strategy, encompassing both a product and service offering, provided Lori Williams, TRS, and its employees the ability to meet professional, financial and personal objectives. TRS was just beginning to recognize substantial revenues from the addition of marketing advisory services tragedy struck and the COO was forced to suddenly resign due to a debilitating illness. Unable to find an adequate replacement, the founder Lori Williams was forced to reduce the time spent on selling marketing

consultation in order to oversee the daily operations involved in producing marketing material. Forced to become once again involved in the production process of marketing collateral, the founder Lori Williams soon became disinterested in continuing with TRS and desired to pursue a business model based on offering consulting services rather than the production of marketing collateral. TRS was closed in October of 1996 and the founder relocated to Los Angeles California.